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NEWS SUMMARY

GENERAL

Flood areas pledged cash

Councils in the areas worst hit *by Thursday's storms,* which killed at least eight people, have been *promised Government aid.*

As Nicholas Edwards, Welsh Secretary, toured South Wales, where bills will run to millions and some parts are *still* under water, Marcus Fox, Environment Under-Secretary, promised councils 75 per cent of their spending above the product of a penny rate.

Although insurance companies say it is too soon to estimate the cost of the damage, resultant claims will harm their results this year. **Back Page**

Gas ship ablaze

Naval firefighters abandoned a *liquid-gas tanker, ablaze off* Devon, after its 18 crew were *taken off.*

Airports' strikes

Foreign airline flights into and out of Athens were cancelled because of a strike by ground staff. In Lisbon, a 24-hour stoppage by the Portuguese airline's staff led to cancellations and delays to British Airways flights.

Spain's ports shut

Most of Spain's ports were closed in the second day of a *strike by dockers protesting* against increasing private *capital in the industry.*

Italy emergency

Italy is expected today to introduce emergency economic measures, including raising fuel prices. In Rome, three alleged Left-wing extremists were charged with forming an armed gang.

Child year 'failure'

Britain's efforts towards the International Year of the Child have been a scandalous failure, the director of the National Educational Research and Development Trust said.

Revolt arrests

Security forces in St. Vincent, West Indies, *have arrested* 32 men and 10 women in connec*tion with December 7's armed* revolt on nearby Union island.

Guerrillas die

Colombian troops killed nine Left-wing guerrillas, two of them women, in a clash 120 miles south-west of Bogota.

Lillee reprimand

Australian fast bowler Dennis Lillee was reprimanded by his country's cricket authorities for holding up the first Test against England in an argument over his aluminium bat. Against Queensland, England's Graham Gooch hit a century but Derek Randall scored a duck.

Bungler kills two

Two people died, 12 were hurt and 15 Warsaw flats were damaged in an explosion that resulted when a young man turned on the gas in an attempt *to commit suicide. He survived.*

Briefly . . .

Inquest was opened at Eastbourne on Terence Judd, aged 22, the concert pianist.

Dr. Snoh Unakul, former governor of the Bank of Thailand, has become a Buddhist monk.

Belgian doctors', dentists' and chemists' strike entered its second week with no solution in sight.

Five West German tourists and their Indian pilot died when their sightseeing helicopter crashed in the Himalayas.

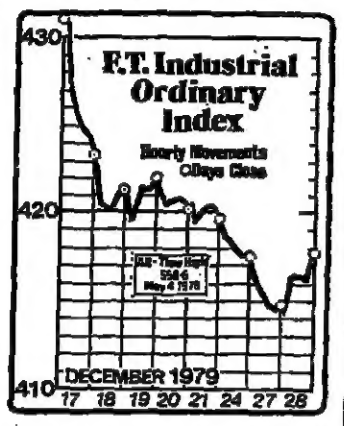
Turkish *delegates are talking* to Saudi officials about help for *Turkey's economy.*

BUSINESS

Gold off $1; Equities quiet

● **GOLD closed at $510 in London,** *a loss of $1 an ounce* **on Thursday's record close.**

● **EQUITIES: New account brought no improvement in the level of trade. The FT 30-share index closed 3.1 up at 417.8.**



● ***GILTS attracted domestic* funds for investment in mediums and longs. The Government Securities Index closed 0.03 up at 65.49.**

● **STERLING closed at $2.2345, a fall of 55 points from Thursday. Its trade-weighted index was 70.3 (70.5). DOLLAR closed at DM 1.7240 (DM 1.7165), its best level for the day. Its trade-weighted index rose to 85.1** ***(84.9).***

● **WALL STREET was 0.68 down at 839.42 before the close.**

Syndicate move abandoned

● **LLOYD'S** of London, the UK's leading insurance market, has abandoned attempts to prevent any *underwriting syndicate* securing a dominant position in *one type of business.* **Back Page; Lloyd's row, Page 3**

● **MORGAN** Grenfell, merchant bank, plans to convert many of its overseas representative offices to banks. **Back Page**

● **FORMER** Labour Minister *Alan Williams accused* Inmos, the semiconductor company backed by the National Enterprise Board, of reneging on agreements in its decision to site its first production plant at Bristol. **Page 3**

● **BRITISH AIRWAYS** is expected to re-open pay *negotiations* next month after *rejection of its offer by most* of the 33,000 ground staff. It *involved consolidation of* productivity pay followed by a *12 per cent increase.* **Page 3**

● **CHRYSLER UK,** in common with most European Chrysler companies, is to change its name to Talbot from January 1. Car names were changed in July and Talbot's *commercial* vehicles will still be sold under the Dodge name.

COMPANIES

● **VAN GELDER PAPIER,** Dutch papermaker, plans to delay repayment of an outstanding Fl 50m (£11.8m) debenture loan, in order to finance its restructuring programme. **Page 17**

● **WILLIAM COLLINS,** Glasgow *publisher, which* made a pre-tax first half loss of £828,000, sold *the freehold* of its St. James Place, London offices for £3.6m. Profits are to be used to reduce group borrowings. **Page 12**

● **J. F. NASH** Securities, motor, packaging and engineering group, reported *pre-tax profits* for the year ended September 30 of £598,000 compared with an expected £550,000, and with £374,000 in *1977-78.* **Page 12**

● **CAVENHAM,** the food group headed by Sir James Goldsmith, *reported sales up from* £1.08bn to £1.37bn and pre-tax profits of *£27.1m against* £14.5m for the 32 weeks ended November 10. **Page 12**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 13¼pc '87	£92¼	+ ¼
Assd. Newspapers	250	+ 8
Bank of Scotland	292	+ 16
Barclays Bank	430	+ 8
BET Dfd.	124	+ 3
Carless Capel	82	+ 8
Collins (Wm.)	113	+ 6
Elliott (B.)	210	+ 5
Fisher (Albert)	11½	+ 1½
Furness Withy	257	+ 11
Goodkind (W.)	26	+ 3
Grindlays	132	+ 19
Hammerson (nil paid)	160pm	+ 14
Highland Distills.	146	+ 3
Hunting Gibson	295	+ 8
ICI	360	+ 4
Lucas Inds.	234	+ 5
Manson Finance	38	+ 6
Marshalls (Halifax)	192	+ 5
Norton & Wright	95xd	+ 9
P and O Dfd.	111	+ 5
Standard Telephones	244	+ 4
Wearwell	49	+ 3½
BP	350	+ 8
Clyde Petroleum	324	+ 18
Siebens (UK)	416	+ 18
De Beers Dfd.	421	+ 11
Hampton Areas	255	+ 10
Impala Platinum	230	+ 10
Lennard Oil	58	+ 8
Lydenburg Platinum	128	+ 11
MIM Holdings	208	+ 15
North Kalgurlie	40	+ 4
Peko-Wallsend	425	+ 30
Samantha	49	+ 7
Selection Trust	578	+ 32
Southvaal	£10¼xd	+ ¼

North Sea oil prices to rise by $2-$4 a barrel

BY RAY DAFTER, ENERGY EDITOR

NORTH SEA oil prices are to be increased by between $2 and $4 a barrel from next Tuesday.

Crude oil producers in the UK and Norwegian sectors of the North Sea have told contract *customers that new,* higher price levels will take effect from *January 1 to bring them more* in line with the price of com*petitive oil, exported from* Africa.

*It could be a week to a fort*night, however, before com*panies specify the exact amount* of the increase. First they will want to see how the world oil market settles in the New Year after the complicated pricing structure that emerged from the recent meeting in Caracas of the Organisation of Petroleum Exporting Countries.

Within the industry it is felt that the level of increase will be in the range of $2 to $4 a barrel. This would bring the price of North Sea crude oil—valued at between $25.27 and $26.27—nearer to the $30 a barrel being charged by Nigeria, Algeria and Libya.

The increase will lead to a *further* round of prices rises in the oil products sector. Yesterday British Petroleum, Burmah, Petrofina, Texaco and Mobil announced interim price increases for petrol and other *products. Esso raised* its petrol price at the pump by 4p a gallon on Thursday.

On the other hand, higher North Sea prices will lead to increased Government revenue. According to stockbrokers Wood, Mackenzie taxation on UK oil output will raise £2.2bn next year assuming a $25 a barrel price for North Sea crude. At $30 a barrel Government revenue should be nearer £2.5bn. The impact on taxation should be even more marked in 1981: at $25 a barrel Government revenue will be an estimated *£3.3bn. Whereas* an average price of $30 a barrel *should result in a taxation level* of about £5bn a year.

Britain has emerged as a central element in the international oil market. Next year its North Sea production should average more than 1.8m b/d, putting it among the world's top *dozen* producers. With the support of the Government, UK oil producers *have* always charged the full market value for their crude; invariably the level established by Algeria, Libya and Nigeria. However, North Sea producers have tended to follow the pricing movements, rather than take the lead.

With this in mind, companies, notably British National Oil Corporation, are anxious to wait and see how world price levels settle in the coming weeks. They will be bearing in mind the comments of Sheikh Ahmed Zaki Yamani, the Saudi Arabian Minister of Oil, who has speculated that a temporary crude oil surplus in the early months of 1980 could lead to a softening in some of the higher prices being quoted.

Iraq, one of the major OPEC producers which emerged as a

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FORECAST UK GOVERNMENT REVENUES FROM NORTH SEA
(£ billion)

Pricing Assumption*:	1979	1980	1981	1982	1983	1984	1985
$25/barrel	1.0	2.2	3.3	4.9	7.1	8.0	8.9
$30/barrel	1.0	2.5	5.0	6.9	9.0	10.4	11.6
$35/barrel	1.0	2.8	6.6	8.3	11.3	12.7	14.2
$40/barrel	1.0	3.1	8.2	10.5	13.3	15.0	16.8

*Average 1980 price; increasing thereafter at 6% per annum.

Source: Wood, Mackenzie & Co.

More petrol price increases, Back Page

Rhodesian election date angers Patriotic Front

BY QUENTIN PEEL AND MARK WEBSTER IN SALISBURY

THE RHODESIAN election will take place during the last three days of February, Lord Soames, the British Governor, said last night, a few hours before the ceasefire in the country's bitter guerrilla war was due to come into effect.

Lord Soames' decision means he is keeping to the shortest possible timetable as laid down at the Lancaster House peace conference — and quashing any final hopes of the Patriotic Front guerrilla alliance for an extension of the campaigning period. It was immediately *condemned by Patriotic Front* officials.

Lord *Soames also* issued an appeal to all the guerrilla forces to obey the ceasefire, which came into force at midnight last night. Earlier in the day a military communique reported a further 32 deaths in the seven-year war.

With prospects for a widespread and lasting ceasefire still in the balance, combined operations headquarters of the Rhodesian security forces said that 19 guerrillas and four members of the security forces had been killed, as well as nine civilians.

The 1,300-strong Commonwealth ceasefire monitoring force also ran into further problems yesterday *when* a police vehicle leading a unit to its posi*tion hit a land mine. Its occu*pants were slightly hurt. Three *British servicemen died in a* helicopter crash on Thursday.

Lord Soames' decision to announce an election date before the ceasefire is seen to be effective as a further calculated gamble by Britain to press ahead with the process leading to Rhodesian indpendence with all possible speed.

Polling will take place over three days, February 27, 28 and 29, and the final day is exactly eight weeks after January 4—the date by which the ceasefire *should* have been *fully* implemented. Voting for the 20 seats reserved for [illegible] in the 100-seat parliament will take place on February 14.

Mr. Cephas Msipa, the senior executive member of Mr. Joshua Nkomo's ZAPU wing of the Patriotic Front in Salisbury, attacked the governor for "behaving just like Smith's regime," by not waiting to see how the ceasefire worked.

However, Lord Soames has made one concession to the Patriotic Front, by granting the alliance an extra 14 days in which to decide whether it will fight on a joint election platform.

Several potentially explosive issues remain to be resolved. A British official admitted yesterday that 41 political detainees are still being held by the Rhodesian authorities.

No limit has been set on political parties' election spending, and a decision on how to allocate broadcasting time is also still under review.

Thermo-Skyship gets lift-off

BY JOHN MAKINSON

THE THERMO - SKYSHIP project has taken off—but only *just. The Isle of Man company* which was hoping to raise £3.2m in equity capital to develop a commercial airship had received £1,407,000 by yesterday's 3 pm deadline. The minimum subscription level was £1.4m.

The capital was raised through an offer for sale of 2.56m shares at £1.25 per share, and the narrow success of the scheme means that the company will continue with development work on the airship.

Major Edward Potter, a director of Thermo-Skyships, said yesterday: "We are all very happy with the result and work will press ahead now."

Of the £1.4m received, £500,000 had been committed in *advance* by European Ferries, which has promised further funds for the project. Mr. Richard Hargreaves of John Siddal, joint brokers to the issue, said around £350,000 had been subscribed by two private individuals. A further £132,500 was supplied by two leading insurance companies, with the balance made up by smaller private *subscriptions.*

This is the second attempt by Thermo-Skyships to raise equity *from the public. The first issue,* in June this year, failed by a wide *margin to meet the minimum* subscription. On that *occasion no institutions applied* for shares.

The offer for sale is the *first* stage in the company's attempt *to fund a £30m development* programme. Mr. Hargreaves said the issue of more equity is likely, up to a maximum of £8m, but Thermo-Skyships is also seeking financial assistance from the governments of the UK, France and Belgium.

If all goes well, the airship could be airborne by the beginning of 1983. The company believes that the first generation craft could carry 100 passengers a distance of 470 miles at 100 miles per hour.

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Steel talks break down

By Alan Pike, Labour Correspondent

STEEL PAY talks broke down after unions rejected an *additional 1 per cent offer from the* British Steel Corporation.

Mr. *Bill Sirs,* general secretary of the Iron and Steel Trades Confederation, said he hoped the strike, starting on Wednesday, would be a "short, sharp encounter."

He said: "It is up to us to cripple the industry as quickly as we can and get it over with."

When he arrived for yesterday's talks Mr. Sirs said he did not believe the corporation would be prepared to stop the industry by allowing the strike to go ahead and he expected an improved offer. But all pre-

Bill Sirs: short and sharp

parations for the strike, due to begin next Wednesday were complete and unless an acceptable offer was forthcoming it *would take place.*

The strike was called after the corporation—which is in serious financial difficulties—offered only consolidation worth 2 per cent at national level, plus the possibility of up to 10 per cent more through local productivity deals.

Last week, the corporation *offered a further 3 per cent if* the unions would suspend the *industry's guaranteed* week arrangements. This was *rejected.*

About 1,000 craftsmen at the Consett steelworks, which are threatened with closure and the loss of 4,000 jobs, decided yesterday that they would cross picket lines and continue working normally if the ISTC and NUB members go on strike next week.

Russia gives aid pledge to Afghanistan

BY ALAIN CASS AND K. K. SHARMA IN NEW DELHI

THE Soviet Union yesterday *followed up its involvement in* the coup which installed a new *pro-Moscow regime in* Afghanistan with a pledge of military and economic aid and a message of congratulations from President Leonid Brezhnev.

Soviet and Afghan troops were last night consolidating their hold on the capital, Kabul, as protests condemning Moscow's role in the coup came in from the U.S. and Britain.

Russian troops backed by armoured personnel carriers patrolled key intersections in *Kabul while MiG21* fighter bombers flew over the city.

Some firing was heard in the city following Thursday's battle between Soviet troops and units of the Afghan army loyal to President Hafizullah Amin. But by last night it was clear that the Russian airlift which began on Christmas morning, flying in more than 5,000 armoured troops complete with field kitchens, makeshift hospitals and full logistical backup in 200 aircraft, had achieved its first limited objective.

The new Government headed by Mr. Babrak Karmal, a former Afghan deputy premier, *faces an immediate threat to its* position from the continuing *insurgency by Islamic rebels* opposed to any form of Com*munist rule in the country.*

In a broadcast, Mr. Karmal said he would seek negotiations with the rebels, using "political *channels to seek solutions to* military problems." But leaders *of the fractured resistance movement* based outside Afghanistan insisted there would be no lull in their fight to establish an Islamic state.

Mr. Brezhnev's message to Mr. Karmal congratulated him on his "election to the post of general secretary of the central committee of the People's Democratic Party of Afghanistan and to the highest State posts" in the country.

Moscow Radio confirmed that a request from the new government for "immediate political, moral and economic aid, includ*ing military assistance*" had been granted. The U.S. has *made a formal protest* to the Soviet Union, saying its action *in Afghanistan has "serious* implications."

A statement from the Foreign Office condemned the Soviet Union's "military intervention" saying that the people of Afghanistan had "the right to choose their own government without outside interference."

Why the Kremlin had to act Page 2

Pakistan envoy in talks on hostages

BY SIMON HENDERSON IN TEHRAN

SIGNS OF a diplomatic initiative to help solve the American hostage deadlock have emerged after a visit to Tehran by Mr. Agha Shahi, the Pakistan foreign affairs adviser.

Mr. Shahi, who arrived three days ago, left yesterday saying that Mr. Kurt Waldheim, the United Nations Secretary General, should visit Iran to hear the views of Iranian *leaders.* Such a visit was not only desirable, but advisable, *regardless of its outcome,* he said.

Significantly, he said modest initial steps, sustained and pursued alone, bold the promise of a peaceful and honourable solution.

The Pakistan envoy had come to Tehran in response to an invitation from Mr. Sadegh Ootbzadeh, the Iranian Foreign Minister, on December 24. He is the first diplomat to have discussions at Iran's initiative.

During his visit, Mr. Shahi had two meetings with Mr. Qotbzadeh and a separate 45-minute interview with Ayatollah Khomeini in Qom. He also met Dr. Mohammed Beheshti, the secretary of the ruling Revolutionary Council.

The Soviet Union's ambassador in Tehran was also reported *to have met Ayatollah Khomeini* in Qom yesterday.

● *Fighting* erupted in Tabriz, capital of Iran's northwest *Azerbaijan region. Dissidents* wounded on revolutionary *guardsman and took 10 other* pro-Khomeini men hostage, the *official Paris news agency said.*

£ in New York

—	Dec. 27	Previous
Spot	$2.2410-2420	$2.2140-2170
1 month	0.38-0.52 dis	0.65-0.50 dis
3 months	0.98-0.93 dis	1.06-1.01 dis
12 months	5.90-5.70 dis	4.25-4.15 dis

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Why the Kremlin had to act over Afghanistan

K.K. Sharma and Alain Cass in New Delhi and Simon Henderson in Tehran report on the latest coup in Kabul

THE installation of a new Soviet-backed regime in *Afghanistan on Thursday night* was the product of a carefully-planned and efficiently-executed operation which began before Christmas with the build-up of Soviet *military forces on the* country's northern border.

In the space of a few hours, 5,000 fully mechanised Soviet troops with logistical support had participated in a brief but bloody battle in Kabul's streets and installed the favoured *Babrak Karmal as president.* Hafizullah Amin, who came to power only in September, was promptly tried and executed, and the upheaval left Western countries and Afghanistan's neighbours worrying about her interests in a dangerously unstable, yet strategically important, region.

For the U.S., the takeover is *a blow, even though Washington* has recognised Afghanistan as lying in a Soviet sphere of *influence. The coup comes at* a time when U.S. influence in the so-called "crescent of *crisis," stretching from the* Middle East oilfields to the divided subcontinent, has sunk *lower than ever.*

The absorption of Afghanistan into the Soviet orbit following the downfall of the Shah of Iran, the recent sacking of the U.S. embassy and other *American buildings in Pakistan,* and the visible decline of American influence in the oil states of the Middle East amid an Islamic religious revival, all *seem bound to reinforce* the hawks in Washington.

At this stage little is known about the Soviet Union's long-term intentions. Western and Asian diplomats have watched with mounting concern the growing Soviet involvement in *Afghanistan since the Moscow-*backed coup in April 1978 which installed the late President Nur *Mohammed Taraki. They* believe the Kremlin acted in this dramatic fashion for a number of reasons:

● The Soviet leadership was responding to a situation in which its interests on the southern flanks of the USSR were being increasingly threatened. Revolutionary Iran, under the Ayatollah Khomeini, threat*ens not only the world's pre*cariously-balanced oil supply but also the stability of all those *countries in the region with* potentially militant Islamic communities. They include the *Soviet Union.*

● The crisis between Iran and the U.S. over the hostages in *the American embassy in Teh*ran has raised fears of military intervention by Washington. "*The invasion of Kabul*—and there is no other word for it—is a clear signal to the West that *the Russians are willing and* able to intervene militarily to protect their interests," said one *diplomat in New Delhi.*

● The Kremlin was almost certainly persuaded to act by the deepening crisis within Afghanistan, where a beleaguered *central Government was suc*cumbing to militant Islamic *rebel forces.* The rebels not *only controlled most of the* countryside but also threatened the capital itself, with a growing *number of terrorist attacks* rendering the country ungovernable and demolishing any immediate prospect of economic revival.

Guerrillas of the Islamic Afghan Movement at one of their rear bases in Iran.

The big question now is whether the new Government, which is still consolidating its *power, can overcome this* resistance and restore stability, as the Soviet Union undoubtedly *wants. On the evidence of their* past statements, the rebels are unlikely to feel any happier about Babrak Karmal than they did about Mr. Amin or Mr. Taraki—they dislike Communism in any form.

However, although the rebels have scored some notable successes, and the desertion rate from the conscript Afghan army *has increased during the past* 18 months of rebellion, they may be in no position to overthrow a Kabul regime more openly backed by the Soviet Union. The rebels' own military and political activities lack co-ordination.

Much depends on the willingness of the new regime to follow up its preliminary statements that it is prepared to negotiate with the rebels. Last autumn, Mr. Hafizullah Amin launched a major offensive with Soviet helicopter gunships, tanks and artillery in the eastern provinces in an attempt to regain the initiative. Mr. Karmal will need similar backing to try the same.

Babrak Karmal

Mr. Karmal's new Cabinet contains several of his old colleagues from the Leftist Parcham ("Flag") Party purged by Mr. Taraki after the April, 1978, revolution. Other names mentioned include some of Mr. Taraki's old Khalq ("People") Party and a brigadier and major-general who might help win the complete loyalty of the Afghan armed forces.

Worried Western diplomats, faced with a *fait accompli,* are now wondering whether the Russians will become embroiled in a Vietnam of their *own,* fighting a guerrilla war they cannot win. This is based on the assumption that Moscow continues to cherish a long-standing ambition to use Afghanistan as a springboard for its wider ambitions in the area. These are said to include hegemony over the Gulf and the use of warm water ports in the Indian Ocean.

For neighbouring Iran and Pakistan, the fears are perhaps even more tangible because of the vital area of Baluchistan. Islamabad in particular has long feared Soviet backing for the secessionist movement in Baluchistan.

Between 1974 and 1976, Pakistan ruthlessly put down an armed insurgency by Baluch tribesmen, and secessionist sentiment has not dwindled since then. In Zahedan, the capital of Iranian Baluchistan, fighting only last week resulted in 14 deaths and more than 70 injured, and there are fears that this, too, could prompt a greater drive for autonomy.

Opposition to Carter appointments

BY IAN HARGREAVES IN NEW YORK

PRESIDENT Jimmy Carter faces an attempt to veto his two controversial nominations to the U.S. International Trade Commission, the body which deals with complaints about unfair trading practices by foreign companies.

The American Federation of Labour and Congress of Industrial Organisations (AFL-CIO) confirmed yesterday that it would testify before a Senate Committee against the nominations, which the labour group fears will weaken a number of attempts to crack down on what it sees as unfair competition from abroad.

Pressure is also being put on the Administration to rethink the nominations by the steel industry, which is expected to enter the limelight early in 1980 with a batch of anti-dumping allegations against European steelmakers.

The nominations under challenge are those of Professor Robert Baldwin, who holds the chair of International Economics at the University of Wisconsin and who until recently was a consultant to the World Bank, and Mr. Michael Calhoun, a 32-year-old trade lawyer who has been on the trade sub-committee of the House Ways and Means Committee.

Of the two, Professor Baldwin's appointment is regarded as the more controversial. His academic writings have placed him squarely in the ranks of those who believe strongly in maximum freedom in international trade.

Meanwhile, Mr. Joseph Parker, the Commission's chairman, has learned that he is not to be reappointed by President Carter. The White House has announced that Mrs. Catherine Bedell will take over the chairmanship on a temporary basis. Mrs. Bedell, a former Republican Congresswomen, has been a member of the Commission since 1971.

There is a strong feeling that the President, in making new appointments to the Commission, has given the body a stronger free trading bias.

The new appointments will be decisive in establishing the balance of view in the committee as the four sitting members are regarded as evenly split in their sympathies for protectives postures against keen pricing from overseas.

Gold price boom prompts caution in S. Africa

BY BERNARD SIMON IN JOHANNESBURG

WITH THE record-breaking gold *price prompting increasingly* optimistic forecasts of South Africa's economic performance *in 1980, Mr. Owen Horwood, the* Minister of Finance, yesterday warned that the high bullion *price did not mean an end to* the Government's policy of "financial discipline and *restraint.*"

Describing the breaching of the $500 per ounce mark earlier *this week as of* "considerable significance" for the South African economy, Mr. Horwood cautioned against "any tendency towards financial permissiveness." He added that "we simply *cannot afford to live beyond our* means as we did at the time of the big upsurge of the gold price *in 1974.*"

Public spending rose then by *more than 20 per cent a year, contributing to the balance of* payments strains which sent South Africa into its deepest *post-war recession. The increase* in real terms in Government spending has been kept to vir*tually nil in the past two years,* and Mr. Horwood is apparently determined that he will not *allow a large increase* in public sector outlays in his next Budget to be presented in *March.*

Nonetheless, the gold boom is having a considerable impact on *the economy. Mr. Horwood and* private sector economists were predicting a few months ago *that the current account surplus* this year would reach around R3bn (£1.53bn). Those who *have re-worked their sums more* recently are forecasting a surplus of closer to R4bn (£2.04bn).

*Gold mine profits and, there*fore, tax payments, have risen sharply. According to Chamber of Mines estimates, taxation and the State's share of gold mining profits totalled R1.84bn in the *nine months to September*—some R150m higher than the figure for January-September, 1979. In the third quarter alone tax payments amounted to R462m.

Some of the Government's tax windfall has already been diverted to subsidise petrol, basic foodstuffs and transport. Barring a collapse of the gold *price, it is widely expected,* however, that Mr. Horwood will grant further generous tax *relief to individuals and com*panies in the next Budget.

Rhodesia faces flood of returning refugees

BY MARK WEBSTER IN SALISBURY

ONE OF THE biggest humanitarian and political problems of the Rhodesian ceasefire must be tackled soon as hundreds of thousands of Rhodesian refugees prepare to flood back across the borders from neigh*bouring countries.*

The refugee exodus *from* Rhodesia increased considerably *over the past two years as the* bitter civil war wrecked lives and took away livelihoods and *as the guerrilla armies needed* more recruits.

Though information is scarce, it is estimated that 200,000 to 250,000 refugees are sheltering in Mozambique, Zambia and Botswana. Many are expected to return once it is clear that the ceasefire will hold.

The British Government has called a conference in London on January 4 to deal with the issue. The United Nations High Commission for refugees and the *International Committee of* the Red Cross will be invited since they are likely to do most of the work on the ground for the repatriation of the refugees.

International relief organisa*tions complain that an already-*complex problem—feeding, housing and providing medical *attention for the refugees—is* further complicated by the fact that many are also potential *voters in the forthcoming elec*tions.

It is not clear who they would *vote for, but observers point out* that the majority in Zambia (40,000 to 60,000) and *Mozambique (10,000 to 150,000)* have been living in areas dominated by the Patriotic Front *and are therefore likely to be* sympathetic to their cause.

Many refugees have also been *badly affected by the Rhodesian* security forces' raids into Zambia and Mozambique. Relief *organisations say that refugee* camps have been hit from time to time and many people have *had to move further from the* border to avoid attacks.

It would, therefore, be in the Patriotic Front's interest in an election where every vote is likely to count, to have as many adult refugees back in the country as possible. But the British Government, backed by the relief organisations, favours a staggered return.

The organisations say that *some refugees have been living* in appalling conditions and are likely to need medical attention *before they can move on*

The London conference will have to decide what facilities *will be provided at the recep*tion areas for the returning refugees: whether they will *simply be checked through,* fed and urged to carry on, or whether a giant tent city will *have to be constructed to house* them for several weeks, so that "vetting" can take place.

*The former Rhodesian Govern*ment has been studying the problem and proposals have *already been put to both the* British and relief organisations, but no decision has yet been taken.

Officials say it could take two to three weeks to set up the reception areas but they would like up to six months to complete the process. Regional Rhodesian officials have already said they will not accept refugees until the camps are *ready—though they could be* ordered to by the Governor.

Relief organisations fear that *refugees may be urged to return* before the necessary facilities are established. There have *already been reports that they* are being collected in temporary camps over the border in *Zambia.*

British officials accept that if the refugees decided to return *before the reception posts were* ready little could be done to stop them because of the long, *largely unguarded borders* between the countries.

In those circumstances, they *say, the refugees would* just have to fend for themselves.

Hua backs Pol Pot successor

By Tony Walker in Peking

Khieu Samphan

CHAIRMAN Hua Guofeng yesterday pledged China's support for the reconstituted Khmer Rouge forces led by Khieu Samphan. Chairman Hua conveyed his support in a message to Khieu Samphan, who replaced Pol Pot as *Prime Minister of the ousted* Kampuchean Government in a reshuffle confirmed by the *Khmer Rouge* on Thursday. Hua said he had learned with pleasure of Khieu *Samphan's appointment*

The reshuffle, confirmed on Khmer Rouge radio and *thought to have been trans*mitted from southern China, is seen as an attempt to create *a united front of Khmer forces* fighting against Vietnamese forces which support the Phnom Penh government of Heng Samrin. It is also aimed at improving the international image of the Khmer Rouge after publicity detailing the atrocities committed during the four years of Pol Pot's rule.

Earlier reports that Pol Pot had been executed were denied. In fact, Pol Pot still appears to be powerful in the Khmer leadership and retains his position as head of the guerrilla army fighting the Vietnamese.

Khieu Samphan, who has always had a reputation as a moderate in the Khmer Rouge leadership, will retain his positions as President and Chief of State of Democratic Kampuchea. He has also been elected provisional chairman of the party and will be *assisted by two premiers*—Ieng Sary and Son Sen.

In the supporting message *from Peking, Chairman Hua* said he was confident the new Kampuchean United Front *under Khieu Samphan* could defeat the Vietnamese.

Italy plans emergency package as energy worries grow

BY PAUL BETTS IN ROME

THE Italian Government is expected to introduce a package of emergency economic *measures today—including in*creases in domestic fuel and petrol prices—as anxieties grow *over the country's increasing* energy difficulties and gloomy short-term economic outlook.

Worsening of the country's economic prospects was confirmed yesterday by provisional Bank of Italy figures showing a deficit of L415bn (about £232m) in the overall balance of payments last November compared with a surplus of L386bn in November, 1978.

In the first 11 months of this year, the overall payments surplus totalled L1,854bn against a L3,840bn surplus for the same period last year.

Moreover, the Bank of Italy's net external position further deteriorated in November by L289bn. This appears to reflect the Central Bank's intervention in support of the Lira, which was coming under heavy pressure before the monetary authorities increased the dis*count rate by three points to 15* per cent at the beginning of this month.

During the past 48 hours, the minority Government of Sig. Francesco Cossiga has had *intensive talks with trade union* leaders and representatives of the National Employers' Con*federation, Confindustria,* to discuss the economic package.

The new measures, which are also *likely* to include gradual liberalisation of price controls on some oil products like diesel, are designed to cover in part the impact of the higher cost of crude oil imports next year.

Government officials have indicated that recent rises in oil prices could increase Italy's *annual oil bill next year by* L2,000bn or more.

The Government also hopes that the new measures will enable Italy to compete properly for scarce supplies of crude oil next year. In unchanged circumstances, Italy could face a shortfall of some 26.5m tonnes of oil next year, the equivalent of a quarter of its overall oil import requirements in 1980.

At the same time, the Government is attempting to win trade *union concensus* to introduce some modifications in Italy's highly inflationary automatic wage-indexation *mechanism* by removing the effects of higher energy prices from the "basket" on which the increases in the index are calculated.

The Government, and industry, are particularly concerned over the inflationary impact of higher energy prices in view of the sharp deterioration in the country's underlying rate of inflation now *running* at an annual rate of nearly 20 per cent.

But the trade unions have so far flatly rejected any major changes in the index mechanism. They have threatened to stage an eight-hour national strike early in the New Year if the Government fails to meet a number of demands which are generally considered likely to stimulate inflation further.

INDIAN ELECTION

Southerners' support for 'Madam'

BY DAVID HOUSEGO IN BANGALORE

THE TWO main contenders for *India's premiership,* Mrs. Indira Gandhi and Mr. Jagjivan Ram, the Janata Party leader, yesterday wound up their election campaigns in Southern India with Mrs. Gandhi clearly maintaining her edge as the national leader with most appeal in the south.

"*They don't care who the* Congress candidate is, they just want Madam back," said a Con*gress Party official at Hoskote,* a small town near here.

On foot, by truck and by *tractor, villagers from miles* around were gathering to hear Mrs. Gandhi speak. After tour*ing some of the villages yester*day afternoon it was difficult to dispute the official's claim.

Scarcely a voice was raised against her and she was given credit for most of the develop*ment in the villages in the last* ten years — particularly during the emergency.

A vigorous rural development programme has been pursued here in Karnataka under the *energetic chief Ministership of* Mr. Devraj Urs. Formerly one of her staunchest supporters, he *was dropped from the party and* now leads the faction of Congress opposed to her.

Though the campaign here is now gathering some momentum as loudspeakers strapped to cars or motor rickshaws tour the villages blaring out rival slogans, the parties have an uphill task *stirring interest among an elec*torate weary of politicians.

Mr. Jagjivan Ram, who has *never had the same pull in the* south as Mrs. Gandhi and who is appealing largely to the Harijan *(untouchable)* community has, not surprisingly, been drawing smaller crowds.

Of the four southern states, Karnataka and neighbouring Andhra Pradesh stood firm *behind Mrs. Gandhi in 1977* when she was rejected by the north. She returned to parlia*ment briefly in 1978 from a* Karnataka constituency before being expelled by the Assembly *and in this election is contesting* a seat in Andhra Pradesh as well as in her home base of Rae *Bareli in the north.*

But in both Andhra and Karnataka she is likely to win *less seats than in 1977* because of the division in Congress. In Karnataka, for instance, she is *thought likely to win 15 to 20* seats, as against the 27 she gained in 1977, a difference that will make her performance in the north even more critical.

Such a majority however would almost certainly precipitate the collapse of Mr. Urs's state Government and fresh State elections. Mr. Urs is having a hard time in now criticising *Mrs. Gandhi after having sung* her praises for so long, but the contest is still wide open.

In both Kerala and Tamil Nadu, voting is expected to reflect strong regional sentiments, with Kerala returning supporters of the Marxist-dominated Left Front and Tamil Nadu mainly candidates from the two rival Tamil nationalist groups.

There is no sign however of the sharp division between north *and south that seemed to* threaten in 1977 when the Janata Party gained only six of the 132 seats in the *south out of* an assembly of 542.

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Nancy Dunne, in Washington, reports on Government moves to build up scholarships for women athletes

'Foul' called as men run off with the college dollars

THEY CALL it football fever in some U.S. colleges, *where* the sport is a virtual obsession. In the South, the mid-West and the South-west, entire universities are known for their quarterbacks, *rather than academic* excellence. Old grads generously donate *scholarship* funds, not to deserving students, but to promising athletes and during poor seasons gloom can settle over an entire state.

These die-hard fans now fear for their tradition, due to a set of *new Government guidelines* to Title 9 of the 1974 Education Act, which forbids sex discrimination in any education programme in any school *receiving Federal money,* affecting most of the colleges and universities in the country.

In the seven years since the Act was passed, many *school* administrators have been fighting a rearguard action to pro*tect the traditional dominance* of what they call "revenue producing" college sports—football and, to a lesser extent, basketball.

School pride aside, college football has become big business. Television contracts have made the profits so great at some schools that football *receipts fund the entire budget* for other sports programmes. The pressure on coaches to produce championship teams—and therefore TV money—has led to a competition for top players much like that of professional teams.

The better professional teams usually do offer up to 95 scholarships per school, which, under league rules, are supposed to cover only living expenses and tuition. But schools have been known to pro*vide some* "*extras*"*—spending* money, joys which require no work, and employment for family members.

Under the new rules, coaches will have to give more thought to attracting superior women athletes. The guidelines, spelled out by Mrs. Patricia Harris, Secretary of Health, Education and Welfare (HEW), require *that all schools receiving* Federal money make scholarship funds available to women and men in proportion to their participation in sports programmes.

Whether or not women athletes can attract the interest—*and money*—that men do has been hotly debated. Women's basketball has gathered a growing following at some schools and even a small amount of television time.

Feminist groups contend that women's sports are on the brink of becoming revenue producers. They point to the mushrooming interest of women in athletics since the passage of Title 9. Participation by college women in inter-college sports has jumped 250 per cent. It rose *600 per cent among the 1.6m* high school girls who played in 1977. The traditional "*lady-like*" sports—tennis, horseback riding and golf — are still popular, but more and more women are joining in team sports. Women are also lifting weights and moving into endurance running. In 1977, more than 59,000 college women were playing touch football.

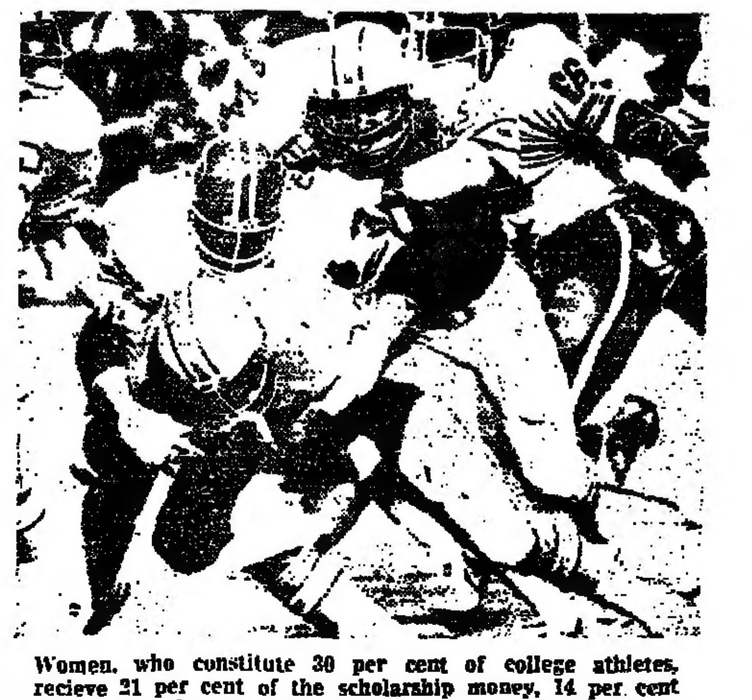
While more women have been joining in sports, their treatment when compared with their male counterparts, is decidedly second class. Although they now constitute 30 per cent of *the inter-collegiate athletic* population, they receive 21 per cent of the scholarship money, 14 per cent of the operating budgets and 19 per cent of the salaries budgets.

High school boys being recruited by colleges are paid travel expenses as they visit various schools and consider offers. Women, who rarely get *travel expenses,* select their schools from brochures. Women coaches with scanty budgets and little travel money select their recruits from video-tapes and girls who attend schools with no video equipment often miss college sports altogether.

All this must change now, while HEW does not insist that equal money be spent on football and tennis. Mrs. Harris made it clear that the Department and the new Department of Education which takes over *the job next year, will take care* that "policies and practices provide equivalent opportunities throughout men's and women's sports programmes."

Institutions that provide new equipment each year for their male teams and used equipment only for their female teams, for example, "violate this standard," Mrs. Harris said.

Whether *all this means* a 200 lb female weightlifter will be besieged by recruiters as a top-rated football guard is not at all certain. Some hope exists, even among football enthusiasts, that with less money to spend on signing up men the pressure will be off college coaches to produce winners any way they can.



Women, who constitute 30 per cent of college athletes, recieve 21 per cent of the scholarship money, 14 per cent of operating budgets and 19 per cent of salaries in sport. The big money goes to the men in football.

هكذا من الأصل

Inmos site decision angers ex-Minister

BY JOHN LLOYD AND ROBIN REEVES

A FORMER Government Minister has accused Inmos, the semiconductor company backed by the National Enterprise Board, of reneging on agreements by its decision to site its first production plant in Bristol.

Mr. Alan Williams, the former Minister responsible for regional policy in the Labour Government, said on radio yesterday that the decision was a complete betrayal of undertakings given to him in the previous Government.

Local authority officials in South Wales echoed earlier protests by local politicians in Tyne and Wear in their reaction to the decision that the £24m plant, which will create around 1,000 new jobs, would go to Bristol. Tyne and Wear, South Wales and the Bristol area were the short list for the choice of site: only the last of these does not contain large areas which are given special developments status because of the run down in production and jobs.

Officials in South Wales say that the previous Government's go-ahead to Inmos to establish its research centre in Bristol 12 months ago was accompanied by a pledge that the first and subsequent manufacturing units are given special development areas.

More Home News on Pages 15 and 18

However, Professor Iann Barron, Inmos's executive director, said on Thursday that Inmos had given no such pledge, either to the Government or to the NEB. He said that the second, large production plant would go to a development area.

Had Inmos chosen a site in a special development area, it would have received a grant from Government covering up to 22 per cent of the costs of its plant and machinery—in this case, around £5m. South Wales officials said that it might have been eligible for as much as £10m.

The Bristol site chosen for the development is on the outskirts of the city, adjacent to the M32 motorway. It will be initially 150,000 square feet, with possible expansion later.

The company still awaits a formal Government decision on a second tranche of £25m which it will need to complete the plant. Professor Barron said earlier this week that he was confident of receiving the money.

The company must also apply to the Industry Department for an industrial development certificate for the site.

U.S. team studies ideas for Scottish micro centre

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE GOVERNMENT is considering forming a microelectronics applications centre in Scotland from existing academic and private research departments, and has moved away from the idea that it ought to finance a completely new institution on a green field site.

The idea for a centre came last year from the Scottish Development Agency which wanted to raise the skill level of jobs being offered to Scots by the expanding electronics industry. It also saw the establishment of a centre doing advanced research as a major bonus in attracting new investment from abroad.

Mr. Alex Fletcher, the Scottish Industry Minister, has asked a team from the Stanford Research Institute of California, under the direction of Mr. Edward Cunningham, the SDA director of planning, to investigate the likely demand from industry for training, research and consultancy services.

One of the main roles of the centre would be to promote applications of microtechnology in manufacturing industry. It is envisaged that, by carrying out private consultancy work, it could earn back its own running expenses.

Using existing institutions would be cheaper than setting up a new centre, would make use of the expertise already in Scotland, and could be done relatively quickly. Mr. Fletcher hopes to have the Stanford report by late spring so that decisions can be made in the summer.

The Stanford team has already started work and will be talking to Edinburgh, Strathclyde and Heriot Watt universities and the private consultancy group, Mackintosh Consultants, all of whom have submitted proposals to the Scottish Office or the SDA.

Dr. Ian Mackintosh, managing director of the consultancy group and a member of the advisory working party set up by the Government to consider the centre scheme, said the proposal to use existing facilities was a pragmatic one since it meant that the centre could be expanded gradually and in accordance with the demand for its services.

He thought that initially the centre might comprise only small offices with a few administrative staff. In time it could expand to take on technical workers based either in the universities or in the centre itself.

Economy at a dangerous corner, says Outlook

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN'S ECONOMY looks as if it is at a dangerous corner with high inflation and faltering output, the London Business School maintains in its latest Economic Outlook.

The Outlook regards it "as inevitable that the inflationary pressure caused by the combination of rapidly rising oil prices and an expansionary fiscal stance will be sustained for a while by high pay settlements."

But this pressure will be countered by the fact that the economy is already moving into recession. Moreover, if the "monetary targets are met there will be a severe squeeze on the real money supply (adjusted for inflation) which will deepen the recession still further."

"The short-term response to these developments is difficult to predict. It is the usual question of how much of the adjustment will come on prices and how much will come on output."

"The most encouraging sign is the slowdown in wholesale price inflation; which must partly be the result of the forces of international competition, but unless thereis a corresponding slowdown in wage rates, the outcome will be a squeeze in profits today and a fall in employment and investment tomorrow."

The Outlook, which is published with Gower Publishing by the school's Centre for Economic Forecasting notes that the rise in unemployment in the autumn could mark a significant turning point. 'Since unemployment is a lagging indicator, the rise in October would suggest that output has already been below capacity for some months."

The Economic Forecasting Centre is now headed by Dr. Alan Budd following the appointment of Professor Terry Burns as the Treasury's Chief Economic Adviser from next Wednesday.

M & G Group payments

Three funds in the M and G Group have announced increased distributions.

M and G European and General is raising its interim from 0.711p to 0.833p on account of the period to June 29, 1980, while M and G Recovery is paying 1.5p, against 1p, in respect of the year to June 15, 1980.

Economic forecasts

THE COMPARISON of 13 economic forecasts published on page four of yesterday's paper wasa survey carried out by the Financial Times and not by the Society of Business Economists as indicated.

Video disc 'could oust schoolbooks'

THE 50p video disc could compete with the school textbook as a main source of learning for millions of children, a teachers' conference was told at Birmingham yesterday.

Mr. J. G. Morris, director of the research and intelligence unit at the Scottish Education Department, also forecast other ways in which the microprocessor revolution will affect schools:

Computer-managed learning systems to help produce individual timetables for students.

Complete packaged courses produced on a computer without the aid of a teacher.

A problem-solving system based on modelling, in which the use of a calculator and word-processor will eliminate the drudgery of calculation

But Mr. Morris told the National Association of Schoolmasters/Union of Women Teachers conference that it did not mean they would all be out of a job.

"I believe it heralds a change of direction and emphasis for the teacher and does not herald redundancy for him."

He said that although the silicon chip had only been around for eight years, the present application of micro-processors was "surprising." Some 25 per cent were used in data-processing, another 25 per cent in games, calculators and music, 30 per cent in industry and commerce and the public sector.

Underwriter claims Lloyd's has breached market principles

BY JOHN MOORE

LLOYD'S OF LONDON has breached accepted market principles, claims Mr. Stephen Merrett, one of Lloyd's top underwriters.

His allegation has sparked a major row, which Lloyd's was attempting to settle last night.

In a letter sent earlier this month to members of his underwriting syndicate, Mr. Stephen Merrett says that it is a fundamental principle of Lloyd's insurance activities that no one without an underwriting authority for a syndicate in which a member of Lloyd's takes part has any authority to enter into a commitment on behalf of that member.

"I have to inform you that this principle has been breached," says Mr. Merrett. He continues: "You should be aware that the chairman (of Lloyd's) has permitted the participation of Lloyd's in an insurance pool sponsored by a foreign government."

South Africa is the Government concerned and the insurance pool was created to provide a market where commercial underwriters were unwilling to take part individually in riot insurance cover.

"The entry to the pool was apparently arranged by the committee or a sub-committee of one of the market associations," on the basis of Lloyd's as a society, claims Mr. Merrett.

"There has been no acceptance of the risk by underwriters or underwriting agents." He adds that the risk as accepted is subject to a reinsurance given by the foreign government "about which underwriters have not been asked to form an opinion," and claims that proper accounting arrangements have not been made.

He concludes: "We believe that such an underwriting commitment should not in any circumstances have been entered into on your behalf without the authority of your underwriter and that if such an arrangement had been made by any person or association without authority and then came to the notice of the chairman or the committee of Lloyd's it should have been repudiated immediately. We have protested

"The matter is made more extraordinary in that the cover provided appears to go beyond." that which is permitted under the Lloyd's market's terms of the war and civil war risk exclusion agreement.

"It is extremely improbable that the quantum of risk would be enough to worry you. The principle may," Mr. Merret has told his members.

The pool commenced operation on April 1 this year and according to Mr. Merrett, the risk is apparently accepted by Lloyd's as a whole and presumably any liabilities fall on all underwriting members.

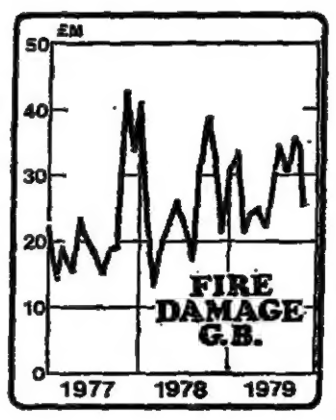
Lloyd's said last night that in the event of a loss on the South African Special Risks Insurance Association Fund, underwriters who had participated would meet the loss in proportion to their involvement.

"There is no question of any Lloyd's underwriter who has not participated in the fund being asked to pay any claim," said a Lloyd's official.

Fire damage down £9m last month

BY ERIC SHORT

FIRE DAMAGE costs in November decreased by £9m to £25.4m, despite the £4m damage incurred at the Parkinson Cowan factory in Birmingham. Figures issued by the British Insurance Association, showed that last month's damage was £7m lower than in November, 1978, and were the lowest monthly figures since June, 1979.



However, fire damage costs in the first 11 months of this year, at £316.2m, already exceed the costs for 1978 which totalled £309.3m—a record figure—and are 10 per cent higher than for the corresponding period last year.

In addition to the major fire at Birmingham, there were five other fires where damage exceded £1m, including Packington Hall in the West Midlands, home of the Earl of Aylesford.

Altogether, there were 72 fires in November costing more than £35,000 each, including 27 at places used by the public such as cinemas, schools, shops, social clubs and theatres.

New Year revamp for Air Kent

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIR KENT, which recently suspended flights between Manston, Kent, and Brussels and Rotterdam pending an internal reorganisation, is to resume passenger flying on January 14, when details of structural changes now being finalised are expected to be announced.

Mr. Robin Paine, chief executive, said: "After a brief period of readjustment to schedules, we are looking forward to entering the New Year in a healthy new format."

From January to March, the airline would be offering 224 seats a week to Brussels and Rotterdam, and would increase seat availability for the summer season, he said.

UK-Singapore air cargo proposed

BRITISH AIRWAYS and Singapore Airlines will discuss introduction of an all-cargo service between London and Singapore, with a view to starting in the New Year.

The other results from Anglo-Singapore air services talks held in London last week were the addition of Brussels to Singapore Airlines' Singapore-London route and the extension of British Airways' London-Singapore route to Jakarta.

BL car prices up again by 4%

By Kenneth Gooding, Motor Industry Correspondent

BL IS to increase the price of most of its cars on Monday, the second significant rise in three months.

The latest increase averages 4 per cent and will take the list price of the cheapest Mini to £2,499.

The previous price rise, in October, averaged 3.9 per cent.

BL brought forward the latest increase so as not to make its move half-way through the major sales campaign it plans for January under a "buy British" theme. It stressed yesterday that the increases will only apply to cars leaving the factories after December 31 and not to those already in the showrooms.

Incentives

Dealers will be offering various incentives during the January campaign which could make the list-price increase meaningless for a while as far as customers are concerned.

Other major manufacturers are almost certain to raise prices in January, one of the better months for new car sales.

Examples of the latest BL increases, old prices in brackets: Mini City 850 £2,499 (£2,404); Allegro 1300 two-door £3,346 (£3,205); Marina 1700 four-door £3,851 (£3,757); Triumph Dolomite 1850 HL £5,365 (£5,158); Jaguar XJ 3.4 £13,988 (£13,529) and Daimler Vanden Plas 5.3 £24,995 (£23,805).

Those BL cars whose prices remain unchanged include the 1980 Rover 3500 models, Range Rover, the Jaguar XJS and the Austin taxi.

Volvo boost

● Sales of Volvo cars in Britain for 1979 will be more than 36,500 representing a 22 per cent increase over last year's 29,868 and 65 per cent ahead of the 1977 total. The Volvo new car market share at 2.13 per cent (1.88 per cent in 1978) was also a record. Dr. Jim Maxmin, the chief executive of Volvo Concessionaires, the Lex Group subsidiary which imports Volvos, said yesterday: "The fact that we have exceeded our planned targets justifies the £5m investment programme embarked on earlier this year."

● Norman Fowler, Transport Minister, has been called on to abandon the system of indicating the age of a car by the letter at the end of the registration number.

Mr. Hugh Dukes, Conservative MP for Harrow East, is to press the Minister to end the system when the alphabetic sequence is complete. Mr. Dukes said: "It induces snobbery and is silly and unnecessary."

Council 'no' to radiation tests on school site

THE Orkney Islands Council has decided not to carry out radiation tests on a site near Stromness where it is proposed to build a secondary school. The decision was made against a recommendation from the council's policy and resources committee.

The site, at Garson, is on the so-called "uranium corridor." This is the strip which the South of Scotland Electricity Board wanted to probe, but were refused planning permission because of the islanders' total opposition to any form of uranium mining.

Earlier this month, the policy and resources committee recommended that test-bore cores of soil be sent to Harwell to find out if there was any radioactivity risk on the site.

The cost would have been £3,900.

It is felt that since outside interests have been refused test-probes for uranium it would be inconsistent now for the council to carry out radiation tests on the site.

Shetland rescue service contract

The Department of Trade has placed a contract with British Airways Helicopters to provide a long-range search and rescue helicopter service based at Sumburgh in the Shetlands for marine search and rescue for a further three years.

The contract runs from January 1 and will continue to give the capibility to respond quickly to emergency calls in sea areas to the north and east of the Shetlands.

Sikorsky S61N long range helicopters operated by British Airways Helicopters. Will be used.

HM Coastguard, part of the Department of Trade co-ordinates civil marine search and rescue activites around the UK coast.

British Airways expected to re-open pay talks

BY NICK GARNETT, LABOUR STAFF

BRITISH AIRWAYS is expected to re-open negotiations with its unions next month after the rejection of its pay offer by most of its 33,000 ground staff.

The corporation told its unions that increases had to be funded out of improved productivity.

Its offer involves the consolidation of productivity payments into basic pay and a 12 per cent increase on the resulting rates. Shift pay would be increased in line with the Retail Price Index. London weighting allowances would be improved in two stages and leave entitlement increased.

In return, the corporation wants higher productivity from ground staff.

The corporation's negotiating position might have been made more difficult by an offer put by British Caledonian to its ground staff.

This is a proposed index-linked two-year deal and involves a 15 per cent increase, an extra 4 per cent when the RPI rises 10 per cent from the estimated January level and further payments of 4 per cent for every 4 per cent rise in the RPI thereafter. The offer also includes three days extra holiday. Settlements for both companies are due next month.

Some groups of British Airways staff have agreed specific productivity proposals put to them by management. Others are seeking a higher offer though they are prepared to discuss productivity. The powerful group of maintenance engineers who mounted a damaging strike three years ago have told the corporation, however, that they want an offer with no productivity strings.

In an economic statement to employees, the corporation says costs are rising rapidly and competitive pressures have increased through expansion of low fare services. Staff are reminded that the corporation's re-equipment programme envisages the spending of £2.4bn up to 1988 and that its fuel bill is £1.2m a day.

Unions centralise anti-cuts research

BY PHILIP BASSETT, LABOUR STAFF

THE TUC has set up a special ad hoc committee of trades union research and information officers to co-ordinate information to be used in its campaign against the Government's public expenditure cuts.

The committee, an offshoot of the public services committee, is being used by the TUC as a clearing house to draw together information to support its Campaign for Social and Economic Advance, which was launched at the annual congress in September.

Chaired by Mr. David Lea, the TUC's assistant general secretary, it will collate information on public spending cuts obtained by unions working in specific areas such as local government, health or the Civil Service.

Unions represented on the committee include the Transport and General Workers' Union, the Amalgamated Union of Engineering Workers and the General and Municipal Workers' Union, the three largest.

TUC officials deny that the committee forms any kind of think tank set apart from the research department of congress. But many of its members are from the departments of unions which generate policy and provide back-up services for negotiations and national officials' other work.

Pay beds boycott threat withdrawn

BY GARETH GRIFFITHS, LABOUR STAFF

THE NATIONAL UNION of Public Employees has withdrawn its threat to boycott patients occupying private pay beds in the National Health Service from January 1.

The union's executive has decided that a boycott would distract attention from the campaign against the Government's spending cuts. But NUPE expects action will be taken within the next two years over the issue of pay beds.

The union's annual conference in May passed a resolution giving the Government notice that it would take action in the New Year unless a date was given for removing NHS pay beds. The NUPE executive had been opposed to a definite date and had urged a more moderate line.

NUPE said last night that it remained committed to backing action taken by members against pay beds. But a large number of the 2,000 or so pay beds were scattered in ones or twos over the country and a boycott would take people's minds off the general cuts campaign. The situation could be more serious in London, where half the pay beds were located.

Health Service unions have been worried at the abolition of the Health Services Board and proposals under the Health Services Bill to favour private medicine. NUPE and the Confederation of Health Service Employees have not excluded the possibility of industrial action against the proposals.

The TUC's Health Services Committee is to look at ways of drawing up a common union strategy against private medical treatment in the NHS.

Doctors awarded further £400 in expenses

THE GOVERNMENT yesterday agreed to increase the practice expenses of general medical practitioners to £5,400 a year from £5,000. The average net pay of £12,327 per year remains unaltered.

The move follows a recommendation by the Review Body on Doctors' and Dentists' Remuneration. In a second supplement to its 1979-1980 report, the Review Body says computer error in data for the £5,000 estimate plus the increases in value added tax, staff salaries and motoring costs meant the need for a revised estimate.

The cost of the increases over the year 1979-80 will be about £10m according to the Department of Health and Social Security. The practice expenses estimate is based on provisional information from the Inland Revenue using a 1977 sample of actual expenses. The British Medical Association asked the review body to re-examine its findings on expenses published in June, as costs had risen at a high rate than seemed likely at the time the report was being drawn up.

The BMA has asked for an additional £700 per year to meet the extra costs and said it found the award disappointing.

"Unless general practitioners are able to find the balance from their own resources, the service they offer could suffer," it said.

General practitioners received an average increase of nearly 26 per cent in June when the review body produced its main report. About 27,000 (1978 figure) GPs were affected.

Doctors and dentists, however, will only regain their rightful position in the earnings league, says the review body, if there are "substantial" 1980 pay increases. Doctors' and dentists' pay has been the subject of a three year process to bring them into line with comparable groups by April 1980.

Contract divers may join union

MOVES to unionise self-employed divers working in the North Sea oilfields are likely in the New Year following initial talks between divers' representatives and the National Union of Seamen.

The 1,500 divers who work on contract for the oil companies feel their pay and conditions have slipped compared to other North Sea oil workers. They say the oilrig managements have not taken any account of their grievances or poor working conditions.

Wage rates for an air diver on the North Sea average between £50 and £60 a day and for a saturation diver from £170 to £250 a day. Divers' representatives claim their negotiating strength is being undermined by foreign divers working to gain experience rather than for a going rate.

MICHAEL LAFFERTY ON MORGAN GRENFELL'S NEW CHIEF EXECUTIVE

Emphasis on international expansion

INTERNATIONAL expansion seems likely to be Christopher Reeves' main aim as chief executive at merchant bankers, Morgan Grenfell. At 43, he takes over the senior management position at one of the City's largest merchant banks at the beginning of a new decade—and could still be in the driving seat at the beginning of the next.

"As I see it, the emphasis will be on expanding internationally in such a way that what we do elsewhere will be what we already do in London," he says. That means traditional bank lending—with a strong emphasis on innovation, corporate finance, and fund management.

At present only around 200 of Morgan Grenfell's 900 staff are based outside the UK, mainly in representative offices in 19 centres around the world.

It is the future of these representative offices which is now coming under greater scrutiny. "I don't think representative offices—other than New York—necessarily have an infinite life. We must look very closely at each office, and decide whether there is a case for turning it into a trading operation as a sort of mirror image of London. We have already done this in Singapore and Australia."

Mr. Reeves says Morgan Grenfell has all the skills it needs under one roof in London. "Now let's see how we can transfer these skills into local areas overseas, with a local flavour." It appears the bank will be willing to accept joint ventures in this process, provided certain conditions are met. "If we do not own more than 50 per cent of the capital we will want management control," comments Mr Reeves.

International expansion seems bound to stretch some of the traditional methods of operation at Morgan Grenfell, but Mr. Reeves is confident the merchant bank will be able to adapt. The decision to have 700 staff under the same roof in the City means considerable advantages are gained from people working in close proximity. The top five members of management sit in the same room, for example. "We are great advocates of the open plan method of organisation," he says.

Another feature of Morgan Grenfell on which Mr. Reeves places great emphasis is a central information service. "The essence of our approach is to integrate our whole operation at the sharp end," he states.

Mr. Christopher Reeves

This is to be improved still further in the New Year. "One of my main objectives is to have more transfers of people at the senior level. It is a pity people are often so incredibly specialised in merchant banking—when clients really want all-round advice. I see our senior management as highly trained people with several disciplines."

Another of Mr. Reeves' approaches is his commitment to Morgan Grenfell's traditional activities.

"I think we should stick to our last. I see no advantages in our becoming a financial supermarket. We will remain a wholesale operation."

He places equal emphasis on each of the three main operational divisions of the bank. Staffwise, the greatest concentrations are in banking—including treasury operations—where there are some 200 people. The fund management division accounts for 170 people, while corporate finance runs to 90 people and generates "a very substantial" fee income. In addition there is a small, but expanding bond department with 25 people, a computer department with 60 people with general administration and accounts representing the balance.

As an unquoted, largely institutionally-owned merchant bank, Morgan Grenfell has not up to now felt constrained by capital shortages, unlike other leading merchant banks. "Our only real limiting factor is our ability to find people with skills and ideas, and the ability to push their ideas forward," comments Mr. Reeves.

"We don't want to spend too much time managing ourselves. The more we are working for our clients the more successful we will be," he adds.

The new two-tier management structure which is being introduced at Morgan Grenfell is partly to do with this attitude. "We could have spent a great deal of time reporting to each other," said Mr. Reeves. He believes the new system, under which former chief executive, Mr. Mackworth-Young, becomes chairman of the merchant bank—though not group chairman—makes best use of senior people at the bank.

Mr. Reeves says one of Mr. Mackworth-Young's new functions will be "masterminding one or two big corporate finance jobs" each year. "We will be looking to him to lead in specific areas."

His own role, as group chief executive, is "to make sure the environment is right and people are on their toes.

"The essence of our business, after all, is coping with difficulty. We have to keep one step ahead."

THE MARKETS

Carefully into the 1980s

THE 1980's do not appear to offer a new dawn for financial investment. The Financial Times this week asked experts in seven investment areas for their views on prospects for next year and the dominant mood was one of gloom or caution.

A notable exception is the optimism which some *analysts express about* the gilt-edged market. The real joker in the pack is gold, which has undoubtedly proved the star-turn of 1979. Could it be that an investor in any of these sectors will see his asset more than double in value before next Christmas, as gold *did this year? To judge from these responses, it looks* unlikely.

"A GLOOMY outlook seems likely for most of 1980 but there is a fair chance that by the end of it equity prices could revive to leave *them higher than they* are today. That is the forecast of **Roy Peters**, research principal for stockbrokers Hoare Govett.

The major worry is the cost of energy. According to Roy Peters. "Until quite recently investors generally have been thinking in terms of a mild recession next year. Though the *market has been bedazzled* by spot prices for oil, contract prices in 1979 have been rising *much more slowly. But in 1980* there could be a lot of catching up.

"So a re-run of the 1974-75 experience' may be difficult to avoid, though the shock to the system will not be as great this time. The push in inflation will not be so dramatic and many industries are now well experienced in living with flat demand and high inflation."

The investment community is getting to grips with the outlook and a slide in equity prices during the first half of the year is in prospect.

With this view of the equity market, Hoare Govett is tending to direct investment towards the financial sectors and special situations.

Roy Peters is still a seller of the engineering sector in general. In his view the industry will not be bailed out by weak sterling as in the last recession, and some of the dividends are looking vulnerable. A lot are uncovered on an inflation-adjusted earnings basis. The exception among the engineers is motor components where Hoare Govett are optimistic as long as the *sector has a reasonable run on* the labour relations front.

The housing market is likely *to slow down further next year* with a recession squeezing the level of both receipts and *mortgage demand. This is the* verdict of **Mr. Clive Thornton**, chief general manager of the Abbey National Building Society, who believes that a major difficulty will be to keep *new construction activity* ticking over.

Mr. Thornton says the Abbey *has lent the same amount in* monetary terms this year as in 1978, and he foresees no *improvement in the first half* of 1980. At present, the Abbey

HOME LOANS
A slowdown

is actually reducing its mortgage expectations by around 15 *per cent, though this target* could be amended in the course of the year.

The signs are that housing is becoming a buyer's market again, according to Mr. Thornton. The mortgage pipeline is down to around eight weeks, compared with three months earlier this year, and not many buyers are backing out of the queue.

GILTS
A good year

John Wilmot of brokers Laurie, Milbank is optimistic about the prospects for the gilt-edged market. "1980 seems likely to be a good year. In common with most forecasters we are expecting the economy to move into recession next year, and we are rather less optimistic than most about the strength of any recovery in 1981 and beyond.

"We do not expect the Government to react to this situation by any early relaxation in fiscal and monetary policy, and so this weakening in economic activity should ensure that financial pressures ease as the year progresses, and that interest rates fall.

"However, there will be a need for patience on the part of investors. International interest rates seem likely to stay high at least through the first quarter of the year, and the peak of inflation in this country may not be reached until the late spring.

"It will be important, therefore. that short-term rates remain at high levels until the Budget to ensure that our rates are reasonably competitive, and *that the necessary degree of* monetary control is maintained.

"But thereafter as the recession develops *here and elsewhere* and as the rate of inflation begins to decline, a fall in both short- and long-term interest rates should become well established, even if it is slow in the early stages.

"By the year-end, if our relatively pessimistic forecasts for 1981 are correct, it would not be unrealistic to expect the yield curve to stretch from a Minimum Lending Rate of 10 per cent to yields of 11 to 11½ per cent on long-dated stocks."

PROPERTY
Testing time

Commercial property enters the new decade *facing* its most testing time since the market collapse in 1973/74. Now, as then, the industry —following a period of sharply rising property values and rents — is threatened by a national recession and high interest rates.

But there are sound reasons why the market should not suffer the same kind of disaster it endured in the mid 1970s, and which brought the property empires of **Mr. Ronald Lyon** and **Mr. William Stern**, among others, tumbling.

Mr. Wallace Mackenzie, managing director of Slough Estates, the country's largest industrial property developer, views prospects for the *industrial market in 1980 with* caution rather than pessimism.

"So far we have seen no *marked slackening in the level* of inquiries for industrial property and the supply-demand ratio is not seriously out of balance.

"But as the year progresses I would expect to see rents levelling off and perhaps in some cases even falling from *their present high market levels.* Much will depend however upon how deep the recession will become."

CURRENCIES
Firmer dollar

The dollar should be generally firmer next year against other major currencies although *it will still suffer periodic weak*ness on account of international uncertainties.

This mixed forecast for 1980 from **Mr. Hywel Jones**, a director of International Forecasting at the Henley Forecasting Centre.

The dollar's performance world be bolstered above all by a dramatic improvement in the U.S. balance of payments, lower inflation and the Federal Reserve's tight monetary policy, at least in the first half of the year.

The outlook fo rsterling was in many ways a mirror image of that of the dollar. High UK inflation would be a *fundamental depressant.* The overall trend was expected to be downwards with the pound *falling towards the $2 level by* the end of the year.

BANKING
Hard times, but . . .

Mr. Roy Vine, senior general manager of Barclays Bank, *paints a bleak picture for bank* customers in 1980. Average base lending rate for the year could be as high as 14 per cent.

Many companies, particularly small businesses, will hit hard *times; there will be quite a few* insolvencies, involving in some cases large companies. Personal *customers, on the other hand,* will find it very difficult to arrange new loans, particularly *in the first half of the year.*

"We expect to see the first reduction in interest rates *around February or March,* but the decline will probably amount to only 1 point. By the end of *the year, however, rates could be* in the range of 10 to 12 per cent. Thereafter it depends on the *inflation rate. Interest rates are* not likely to fall much below the inflation rate."

"Indications are that personal sector demand for funds is beginning to tail off at last. Nevertheless, corset restrictions mean that people will have to have very good reason for wanting extra funds, especially in the earlier part of the year.

"There may have to be *greater flexibility with the* corset. Already, because of the exceptionally high deposit rates, *we are seeing a switch of funds* from current to deposit account. The latter are interest-bearing, and accordingly subject to the corset restrictions on growth.

Mr. Vine has one bit of good news for bank customers once the corset does go. Barclays is *ready to enter the home loans* market in a big way.

"We have a scheme on the stocks ready to *be launched* once the restrictions go We will go in to some considerable degree. There is undoubtedly a demand here which we can help to meet."

GOLD
Still a glitter

The price of gold finished the *week at $516 per nounce* having started the year at $226. **Mr. Meinhard Carstensen** of the *Dresdner Bank and* **Mr. Paul Zubler** of Union Bank of Switzerland, the respective heads of *their banks' foreign exchange* and precious metal departments, remain sure that the *underlying trend remains up.*

"I remain bullish, but I admit that the pace of the rise over the past *three months has* surprised me." says Mr. Carstensen, "and just as we used to *have to accept temporary falls* of $20 the price of the metal may now fall by $50. It's very *much a thin year-end market at* the moment. I think a truer picture will emerge in early *January. There is an IMF* auction on January 2 and the participation of investors will be indicative."

Mr. Zubler concedes that the recent price rises have given the gold market something of a gambling flavour. "I would recommend investment at the moment to somebody who can pay cash and who can afford to lose," he says.

Mr. Zubler links the recent price rise firmly to the rise in the price of oil, to the financial arguments arising out of the Iranian situation, and to buying from the Middle East. "If you have a commodity whose price you can change with ease. I think you lose contact with the relative value of other assets. It is a different point of view to someone who has had to work 20 years for his money. Having raised the price of one commodity you are ready to pay a higher price for another."

Looking for signs of things to come

WELL, BY noon on the fourth day of Christmas there was still no sign of S. Clause on Wall Street. There was still the odd *bogus* Father Christmas in Rockefeller Plaza cadging dollars for Hare Krishna in return for miniature candy canes and a mouthful of flannel, but Santa looked once again as though he was by-passing the New York Stock Exchange.

Readers of last week's column will recall the fact that Wall Street's so-called Santa Claus *rally* (covering the last four trading days of the old year and the first three of the new) is one *of the street's more dependable* events, having occurred in 22 of the last 27 years, although with an *increasing tendency to stay* away in recent years.

What we have had this week is a variety of shuffling on the spot such as you not infrequently witness among overweight over-age ex-joggers in Central Park—New Yorkers, whatever else they possess, lack shame. Although trading volume picked up towards the end of the week, there was scarcely a share movement worth noting in the four days *the exchange* was open. The one exception was interest in gold and precious metal com*panies, in dutiful response to* the fact that gold crashed through the $500 barrier with *no sign of* a let-up.

The absence of the year-end rally, assuming that there is no spectacular leap at the beginning of next week, is held by some to indicate a downward trend for the stock market at least in the early part of 1980. But the fact that the year-end is proving neutral, others feel, indicates a neutral 1980.

Indeed, no one is really very sure about 1980, whose horizon is clouded with the most *hideous uncertainties,* ranging from continued troubles in the Moslem world to worries that the U.S. economy, at least in the view of pessimists, could be in for a chastening of major *proportions.*

Without offering backing to either optimistic or pessimistic camp, it is perhaps useful at least to summarise the pointers which each is looking for in 1980 to contribute to the unfolding of its own scenario. First the pessimists. They say that inflation will continue in double digits throughout the year because of pressure from energy prices, declining productivity in the U.S. and a weak dollar. This will keep interest rates high. This group also tends to argue that the *Federal Reserve's* tighter monetary control is still insufficient to correct the bad

NEW YORK
IAN HARGREAVES

habits of many years and that tougher medicine will be administered.

The optimists believe that inflation will start to turn downwards by the middle of the year *as the economy starts to emerge* from what will have been a mild recession—*sufficient to damp down interest rates* slightly. Oil prices, they argue, will be restrained by over*supply of oil in world markets.* On the dollar they are hoping for the best, and believe that *barring a Middle East war or* equivalent cataclysm that they will get it.

So, at the heart of the argument is inflation. If it is pushed back to 8 per cent, a sustained *market rally is on.* If is leaps beyond its current annualised rate of 12 to 13 per cent then watch out.

There is not much doubt that on a *headcount of professionals* in the field the optimists would have it. Even the pessimists are *prepared to admit that sooner* or later common stocks must riseto reflect more nearly the *assets and the earnings poten*tial they represent. Optimists acknowledge that picking the *winners in 1980 is going to be* increasingly difficult.

Virtually everyone is agreed *that investors cannot expect in* the foreseeable future to find themselves in a prolonged *upward market of the kind* which made ownership of a portfolio of reasonably *sensibly chosen stocks a safe and* modestly profitable investment in the 1960s.

Today the *choices* involve higher risk and a greater knowledge of the market, *although this has not prevented* a surge in investment activity (or gambling, as many investment brokers believe it is more accurately described) in stock and commodity futures, a field which is certain to go on growing next year.

The fact is that the average investor in stocks, if such an individual exists, has taken a hiding in the last decade, Salomon Brothers recently recorded the fact that stocks *have* risen in price at a compound annual rate of only 3.1 per cent since 1968 while the consumer price index has jumped 6.5 per cent, gold by over 20 per cent and diamonds by 12 per cent.

So, long term few are genuinely *confident* about the ability of stocks to build the stamina to keep them *permanently ahead of inflation.* This means that the name of the game in 1980 will be as it has been *increasingly* in the latter part of this year to pick stocks capable of outperforming a generally *dull market.* There are those who believe that the Dow Jones Industrial Average, representative of the solid core of blue chip stocks and in some respects the U.S. economy's pulse rate, will spurt ahead in 1980, but there are not many.

When it comes to picking sectors, there is a remarkable degree of unanimity about the ideas being pushed out to herald the dawn of a new decade.

The popular choice sectors are aerospace and defence (strong performers since the Iranian crisis hotted up), energy, sophisticated engineering companies, health and pharmaceuticals, computers and (not quite so unanimously) leisure and entertainment offerings.

This list does rather conjure up a picture of an America besieged on the energy front, flexing its *military muscle* and distracting the public attention with a solid diet of tranquilisers and *roulette wheels. It is not* a happy picture, but it won't prevent the thousands jumping to the disco music beneath the laser light show in Times Square on New Year's Eve from believing, at least for a few hours, that the case is otherwise.

CLOSING PRICES

Day	Close	Change
Monday	839.16	−0.25
Tuesday	market closed	
Wednesday	838.14	−1.02
Thursday	840.1	+1.96

The four chairmen look ahead

BY MR. MURRAY HOFMEYR, LORD ERROLL OF HALE, SIR MARK TURNER AND MR. JOHN DU CANE.

AS THE New Year approaches and with it a new decade, once *again we hand over this column* to the four chairmen of the leading UK-registered mining *finance houses* for their annual reviews of prospects for the world mining industry.

We begin with **Charter Consolidated's Mr. Murray Hofmeyr** who writes: The prospect *of recession which dominates* the immediate economic outlook, and the fear that growth *in the world economy will be* at best restrained through the 1980s, should not overshadow other more positive developments which are likely to be of great significance to the world's mining industry during the coming decade and beyond.

In looking to the future there is certainly no reason to be gloomy about the outlook for the precious metals, the energy-based minerals or for several of what one may call the high technology metals.

More generally, one of the most important factors for the long range future of the mining industry overall is concerned with the vital relationship between the industrialised and developing countries on the *matter of mineral resources.*

Throughout the 1970s, investment in new mining projects, particularly in the *developing* world, has been running at too low a level. At the same time there has been a trend towards concentration of minerals exploration, and thus mining development, in the developed parts of the world which have *been seen by the mining com*panies as the areas of least political risk.

The background to these trends, and their implications and potential dangers for the future, is all too familiar to readers of these columns. So it *is particularly encouraging that* after many years of discussion and negotiation a framework has now been established through the second Lomé Convention, the trading and co-operation pact between the EEC and developing countries.

This should encourage and facilitate the financing of exploration and mining activi*ties in some developing coun*tries. Agreement on this very difficult issue augurs well for the mineral resource host countries, the industrialised mineral-consuming world and the mining industry.

Lord Erroll of Hale, *chairman of* **Consolidated Gold Fields** says: The last 12 months have *seemed a long time in the gold* market. In December, 1978, the price hovered little above $200 *per ounce and was generally*

MINING
KENNETH MARSTON

considered vulnerable. It is now close to $500, yet bearish sentiment is subdued. There seems to *be a growing, if in some* quarters reluctant, acceptance that the metal has an important *role as a private investment* vehicle and an official monetary asset.

It should be obvious from recent events in the Middle East that this role does not primarily arise from gold's quality as an inflation hedge — a quality in which it is prominent, but by no means unique.

As an international store of value in troubled times its attributes of portability, *homogeneity and immunity* from politically-inspired sanction, recommend it in preference to all other assets.

In the year ahead I expect that gold's strength will be underpinned by continuing diversification, both at official and private level, from other reserve assets.

The world's economic recession has arrived later than anticipated but the absolute priority which all major governments are giving to reducing the inflation rate must surely depress business activity and production in most of the industrialised countries.

At the same time the less industrialised countries of the world, which have become important consumers of raw materials, are showing signs of faltering.

One cannot, therefore, exude much optimism for some of the *industrial metals and* minerals. However, this outlook must be viewed in the context of the present strength of individual commodities, particularly lead and tin. Despite weakening economies these two markets are expected to remain relatively good.

Sir Mark Turner, of **Rio Tinto-Zinc** comments: with uncertainties in regard to oil prices, currency levels, Iran, etc., it is more difficult than ever to make a confident prediction about metal prices in the coming year.

On a purely statistical basis, and bearing in mind the prob*ability of a recession in 1980,* it is more than likely that in most metals, potential supply *will exceed demand—put an*other way, there is no reason why the steady reduction in *stockpiles which has taken* place over the last two years should go any further.

However, with the general instability in currencies, reflected in the high prices for gold and silver, a spill-over of hedge buying into other metals, in particular copper, would not be surprising.

If I had to make a forecast, I would expect to see copper prices of around £950 per tonne, based on the current U.S. dollar/sterling exchange rates, with speculative dealings causing, at times, fairly wide fluctuations around this figure.

Finally, we have **Selection *Trust's Mr. John Du Cane*** who writes: I suppose as the 1970s end we should be pondering the lessons that this *eventful* decade has taught us and apply them to our planning for the 1980s.

Unfortunately the most *obvious lesson is that forecasts* of events, political and economic, have been hopelessly wrong — *all predictions having* been upset by totally unexpected events. Econometric models just do not cater for the activities of Ayatollahs or invasions of Shaba Province.

The sudden collapse of the Shah's regime in Iran should make us *take a long hard look* at the sources of supply for our industrial society. We must view with considerable doubt the apparent stability of any country under military or other forms of autocratic government.

We should remember that only 12 months before the start of his exile the Shah was being congratulated by a Western Head of State for presiding over an oasis of stability in a troubled region. Some of our major sources of copper production *have such types of* government.

The fortunes of mining companies recovered in 1979 and already we are hearing talk of windfall profits and resources taxes. Profits are being made through the operation of capacity installed mainly before the extraordinary inflation since 1974 and only *after* several years of little or no profit.

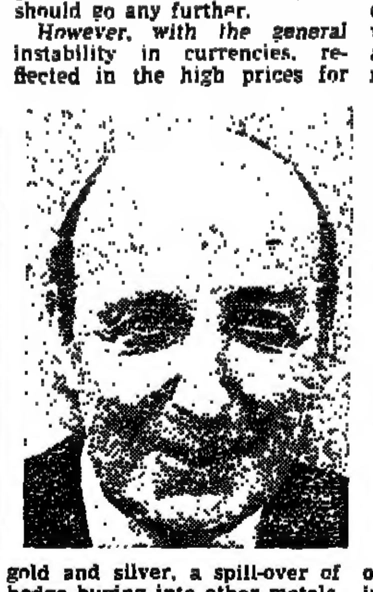
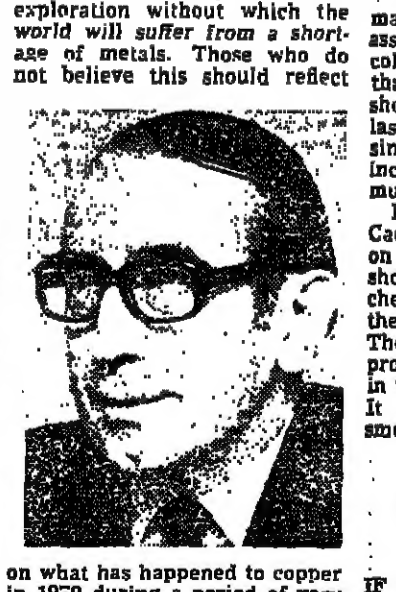
It should be obvious that very substantial earnings are *required in order to enable the* financing of new projects and exploration without which the *world will suffer from a short*age of metals. Those who do not believe this should reflect on what has happened to copper in 1979 during a period of very modest economic growth: stocks are now at their lowest level for five years.

The growing shortage of skilled labour in Western *industrial countries will cause* major problems in mining and allied industries. It is a glaring *anomaly in these days of high* unemployment which can only be corrected by enhancing the status of technicians and changing the emphasis of education.

At the close of the 1970s we are witnessing a lack of confidence in currencies and attention has been focussed on precious metals, gold, silver and platinum group metals, as alternative stores of wealth. *Looking at the troubled world* scene I would expect the attraction of gold to continue.

I remain optimistic that the mining industry will deal with all its problems at is always has in the past but it would be helpful if governmental and *other authorities were to take* satisfaction in removing obstacles to development rather than erecting them. In this respect I am delighted that the UK Government has abolished exchange controls.



Rendering less unto Caesar

ANTIPATHY to taxmen is nothing new, but one often *wonders whether it is not over*done.

Tax-gathering, not innkeeping, *was the occupation of the pub*licans who make their appearance from time to time in the Gospels, *always bracketed firmly* with sinners. They were hated because whenever there went out a decree *from* Caesar Augustus that all the world should be taxed (or when one of his governors needed to raise revenue locally), each of those publicans invented his own tax *legislation, his own assessment* procedures, and his own machinery for enforcing payment.

We have moved on. Our law making is separated from assessment, and assessment from collection. But we still believe that assessors and collectors should have to work for every last penny — a curious belief, since it is at our own cost and inconvenience that this work must be achieved.

If we want to render less to Caesar, less for him to spend on collecting it, can we not shoulder ourselves more cheaply and efficiently some of the burdens that he must shed? These thoughts have been prompted by a recent change in the sharing of these burdens. It appears to be operating *smoothly,* but it may be significant that it is tax relief rather than tax collection for which *the private sector has assumed* responsibility in this instance.

Life insurance companies first saw in the *Finance Act* 1976 the proposals that they should become responsible for giving tax relief on premiums

TAXATION
DAVID WAINMAN

collected from policy holders. Those premiums were to be paid "net," and the Govern*ment was then to reimburse* the companies for the short-fall in their premium receipts.

This new system came into operation from April 6, 1979, which meant that three years had been available for planning and effecting the necessary changes in the companies' procedures. So far there have been no reports of companies folding under the administrative burden.

In essence the policyholder pays 82½ per cent of the premium, retaining as his "tax relief" the balance of 17½ per cent. There are a number of cases for which some less straightforward method has had to be evolved—but when compared to the previous arrangements it is simplicity itself.

The administrative burden *for the Revenue of those pre*vious arrangements was something few people appreciated. A *taxpayer's personal deduction* and all other allowances operate at his marginal rate. Provided *that the total is "coded" into* his PAYE, the Revenue need make no later adjustment *whether his earnings are high* or low.

Life assurance relief on the other hand was calculated only by reference to the basic rate. It was only possible to "code" it correctly if one knew in advance what the taxpayer's income and marginal rate would be, and could thus work backwards to ensure that no restriction was necessary to the amount of relief, and to calculate the appropriate PAYE code.

Unsurprisingly the Revenue frequently found itself repaying tax inadvertently overdeducted, or collecting in the reverse position. Each of these is a burdensome and expensive process.

Payment of premiums net is only permitted for UK residents. The policing of this lies with the company: it is the party who will suffer if the Revenue decline ot make good to it the 17½ per cent which the policy holder has withheld.

The Revenue will reimburse UK companies, and the UK branches of overseas companies. Other foreign companies are *outside the scheme.* They collect premiums in full, and the Revenue have discontinued *the relief which they used to* grant to foreigners working here but still paying life insurance *in their home countries.*

A premium or premiums may also be directed to be paid gross where the Revenue think that a taxpayer may be paying more than the level on which relief can be granted. This restriction is that premiums may not exceed the higher of £1,500 per annum, or one sixth of total income.

Wives who have their earnings taxed separately from those of their husbands do not thereby double the figure of £1,500. But either spouse can now obtain relief on a policy written on the other's life: before 1979 it was only insurance of one's own life which qualified if one were separately taxed.

Finally mention must be made of the Revenue's double-think on children's policies on their own lives. A heavy restriction put onto these in a Revenue Practice Statement in February 1979 has been softened but not totally removed by a further statement in November. But tax effective investment for children needs a whole article to itself.

Covering up for the sunshine

IF YOU have not made plans *already,* this weekend provides a good opportunity for spending an hour or two looking *through the tour operators'* offerings for next summer's holidays — and, for example, *comparing prices from several* for a particular hotel in your prospective resort. There can be considerable variations.

Similarly varied are tour operators' insurance packages, which get differing degrees of mention in the brochures. The amount of space left over after other glossy details still seems to be the factor controlling the *amount of insurance informa*tion. One operator, who blandly provides 10 lines of print, *promises to provide a* copy policy on request, tells his customers that they are insured unless they opt out, and says that more information is "prohibited by lack of space."

This is just not good enough — particularly as the cover is *provided* by a company within a composite insurance group, a member of the British Insurance Association, *which sub*scribes to the 1977 statements of insurance practice. The tour operator ought to *give* his potential customer sufficient information to decide whether or not to insure through his

INSURANCE
JOHN PHILIP

scheme, and moreover the insurers concerned ought to make *absolutely certain that the tour* operator does so, in exchange for the substantial commission *that he earns.*

Insurers quite rightly insist that the insurance contract is different from all other contracts in that it is one of utmost *good faith — that the proposer* must tell insurers all material facts and so on. As I have *always believed* that this doctrine of utmost good faith should work both ways, I find it odd that in another operator's brochure the insurer is not *even identified.*

To be fair, these are notable exceptions to the general run. *In most brochures* the tour operators allocate a full page to detail the cover, exclusions and conditions of their chosen insurers' policy: and they make it clear where the insurance is placed, whether at Lloyd's, or, more likely, with one of some half dozen companies who have the lion's share of the holiday package market.

All insurers provide cover against cancellation from the date of payment of premium against curtailment of the holiday once begun, against medical *expenses, against loss of bag*gage and money, against accidental death or injury, and *against* legal liability claims. Superficially, threefore, the contracts are very similar—but a quick comparison of some two dozen brochures shows a wide variation in the financial limits fixed for each section of cover; moreover, it does not follow that because company A9 provides certain terms for one tour operator's customers, it will provide identical terms for other operators.

So there are plenty of points to watch, and it is better to find out the answers now, rather than next summer, when it will be too late.

YOUR SAVINGS AND INVESTMENTS

Robert Cottrell investigates how unit and investment trusts fared in the seventies

The not-so-vintage years

IT HAS been an undistinguished decade for unit and investment trusts. Hardly surprisingly, since the FT Actuaries All-Share Index (with net income re-invested) underperformed the Retail Price Index by a third. But among unit trusts, *less than four in ten* outperformed the all-share index; among investment trusts only *one in seven.*

The trend has not been lost on investors. Investment trusts *now manage* assets worth about £6.5bn. against a 1972 peak of almost £8bn. The Association of Investment Trust Companies is now 60 short of its 1972 membership of 263 trust companies.

Unit trusts are set this year for their lowest sales of the *decade. Repurchases* exceeded sales by £1.634m in November, the second month of net repurchases this year.

Looking back on 1979, it has been a good year for investment in gold and energy oriented unit trusts, and a bad one to plump for exposure to the Japanese stock market.

Of 1979's top ten unit trust performers, five are specialist *energy portfolios.* The others comprise one gold-based portfolio, and four commodity *portfolios with generous* lashings of gold and oil interests.

At the bottom of the chart, *the four worst performers* are all specialist Japanese funds. An investment of £100 in Save and Prosper's *Japan Growth* Fund on December 1, 1978 would have been worth £68.20 a year later.

The poor showing of the Japanese funds is not a simple reflection of the prices of their underlying holdings. Between August 1978, and December 1979, the Yen slumped against a rising pound from £1=Y380 to £1=Y540. The same period saw a decline in the effective rate of the dollar premium from 45 per cent to zero.

At the top of the chart, it has been an outstanding year *for the* Britannia group of trusts. With their incarnation under the Slater Walker banner well behind them, *the Britannia* trusts take four of the top ten slots, including all of the top *three.*

Britannia Minerals, top trust of the year with an *appreciation of 99.9 per cent, owes its* strength to a portfolio of South African *mining shares* in a *period of doubling gold prices.* Soaring oil prices this year brought benefits to the energy portfolios, which were strong in *BP and Shell holdings* leavened with North Sea growth stocks like LASMO.

Clear winner as the decade's best-performing unit trust is the M&G Recovery Fund, which sweeps into the top spot well ahead of its nearest rival, the Midland Drayton Commodities Fund.

An investment of £1,000 in M & G Recovery on December 1 *1969* would now be worth, with net income re-invested, £8,439.

At the other end of the table, a similar investment in Cosmopolitan Growth would now be worth £814. This underlines the fact that, despite the apparent security of professional management and diversified portfolios, unit trusts can be as speculative as any other kind of investment.

M & G Recovery is now one of Britan's largest unit trusts, with investments totalling some *£28m. But the full benefits of* that 10 year rise will be felt only by the brave little band which *staked £700,000 in the fund by* the end of its first year.

Cosmopolitan Growth shows the *other side of the "special* situations" coin spun so successfully at M&G. *Its choice of* investments—like St. Piran—yielded situations whose speciality proved very *different* to that foreseen by the fund managers.

While the smaller specialised funds tend to dominate the extremes of performance, the larger general funds have necessarily tended to move more in line with the UK stock market.

The largest unit trust of all, the M and G General Trust Fund, put on 7.8 per cent this *year against 7.7 per cent by the* FT All-Share Index. Over the decade, M & G General rose *by 181.8 per cent (with income* reinvested), against 130.2 per cent for the FT All-Share.

Moving to investment trusts, the discount gap between share price and net asset values has widened steadily through the decade. In December 1969, the sector average showed share prices discounting net asset value by 20 per cent. The gap has now reached 32.5 per cent, and shows no signs of narrowing in coming months.

With market estimation of investment trusts so far into the *doldrums, many have become* speculative holdings, hoping for the day when another institutional fund makes its leap for a juicy package of undervalued *assets. Hume owes* much of its high standing in the performance table to the *run-up in its share price in* anticipation of the Rothschild bid.

The decade's best-performing investment trusts were those concentrating on small *companies and special situations.* The worst reflect a mixed bag of gearing mistakes and badly-calculated *overseas exposure.*

One of the three trusts reporting an overall loss on the decade, *Cumulus, is managed* by a computer—which must come as some relief to hard-pressed *investment managers of* the human variety.

The two "oily" investment *trusts showed* well in the year's performance ratings—as their counterparts did in the unit trust charts. Viking Resources turned in the best performance, adding £89.9 to an initial £100 stake, with Oil and Associated not far behind. Sandwiched *between the two is North British* Canadian, which found a profitable course through small *company investment.*

At the bottom e nd of the performance ratings *sits Jardine* Japan, hit by the year's currency and premium swings. But a net *asset discount of only some 7* per cent, a quarter of the sector average, suggests market *expectations are for a marked* improvement in performance.

The disappearance of investment trusts into the maw of larger institutions seems set to continue. For it is only in a steadily bullish market that investment trusts can rely on bringing their edge into play—the ability to gear up. In the volatile markets of the '70s, it has proved on most occasions a *rather dangerous option.*

The stock market slump of 1973-74 brought home to many trust investors that the value of *their savings was linked not to* the wisdom of their fund manager but to the performance *of a vulnerable stock market.*

The casualties of the slump sold out at the bottom of the market. The contraction recently seen in both unit and investment trusts suggests that *those savers* who stayed with their investments have decided to move out now that the *nominal value of their savings* has been restored.

UNIT TRUSTS: TO DECEMBER 1 1979
Value of initial £100 investment, net income re-invested

ONE YEAR: BEST:	£	TEN YEARS: BEST:	£
1 Britannia Minerals	199.9	1 M&G Recovery	843.9
2 Britannia Gold and Gen.	190.7	2 Midland Drayton Commodities	525.6
3 Britannia Universal Energy	170.5	3 Framlington Capital	490.1
4 S&P Energy Industries	158.1	4 Britannia Commodity Share	476.9
5 Chieftain Basic Resources	151.7	5 Britannia Income and Growth	420.4
6 Key Energy Industries	151.1	6 M&G High Income	418.1
7 Henderson Oil and Natural Resources	149.8	7 S&P Commodity Share	406.6
8 New Court Energy Resourcse	136.3	8 Allied-Hambro Smaller Companies	394.8
9 Target Commodity	136.2	9 Discretionary	389.7
10 Britannia Commodity Share	135.4	10 M&G Smaller Comapnies	360.7
WORST:		**WORST:**	
1 S&P Japan Growth	68.2	1 Cosmopolitan Growth	81.4
2 Midland Drayton Japan	69	2 Oceanic Overseas	88
3 M&G Japan	73.6	3 Oceanic General	95.5
4 Crescent Tokyo	76.2	4 Oceanic Investment Trust	107.1
5 London Wall Extra Income	78.7	5 S&P U.S. Growth	109.9
6 Henderson Far Eastern	79.1	6 Schlesinger U.K. Growth	113.3
7 Midland Drayton American	79.2	7 London Wall International	116.7
8 British Life Dividend	81.3	8 Govett Stockholders	117.5
9 G.T. Japan and General	81.5	(9 S&P Scotbits	(119.8
		(Hambro Secs. of America	(119.8
10 London Wall High Income	82		

INVESTMENT TRUSTS: TO NOVEMBER 30 1979
Value of £100 investment, net income re-invested

ONE YEAR: BEST:	£	TEN YEARS: BEST:	£
1 Viking Resources	189.9	1 North British Canadian	708.8
2 North British Canadian	153.0	2 Moorgate	422.5
3 Oil and Associated	142.7	3 London Atlantic	329.7
4 Atlantic Assets	136.0	4 Throgmorton	320.1
5 Hume	128.3	5 Hume	299.2
6 Rothschild	119.0	6 Safeguard Industrial	297.8
7 London Atlantic	116.6	7 Outwhich	275.9
8 Safeguard Industrial	115.9	8 London Prudential	275.0
9 Crossfriars	115.5	9 Rothschild	272.1
10 Moorgate	113.2	10 Jos Holdings	259.8
WORST:		**WORST:**	
1 Jardine Japan	58	1 Electric and General	80.7
2 Drayton Premier	77.9	2 Cumulus	92.6
3 Colonial Securities	78	3 Greenfriar	94.2
4 Drayton Commercial	79	4 Edinburgh American Assets	101.2
4 Drayton Consolidated	80.7	5 Witan	106.7
6 Northern American	91.9	6 Technology	108.8
(7 Glendevon	(82.1	7 Stockholders	111.0
(British Investment	(82.1	8 Second Great Northern	111.9
9 City and Foreign	82.6	9 Scottish Western	113.5
10 Montagu Boston	83.7	10 American	114.2

FT A All-Share Index: to December 1 1979. Value of initial £100 investment, net income re-invested.

ONE YEAR: £107.7 TEN YEARS: £230.2

Sources—Unit trusts and FT-A Index: Planned Savings. Investment trusts: Association of Investment Trust Companies

Building on success

THE EARLY months of the year are *the time when conventional* life companies announce their reversionary bonus rates—the *only visible sign to investors of* the investment performance of their company.

*But over the shorter invest*ment period, the return on with-profit plans has not matched that offered by building society linked *life plans.* This month several societies have been improving the interest rates to *give even better yields.*

These linked plans are extremely simple. The investor makes regular premium payments to the life company which, after a small deduction for expenses and the cost of providing life cover, invests in a special building society account. The investor's savings *are boosted by the tax credit* given to regular savings life contracts—at present 21.2 per *cent is added to the amount* invested.

When the investor wants to cash in his savings, he withdraws the amount standing to his account. But should he cash in within four years, some or all of the tax credit is clawed back. *Profits on cash-in before 10* years are subject to higher rate tax.

These building society-linked plans are written for an investment period of 10 years. But the combined effect of the tax credit *and* building *society* interest offers investors the maximum yield if cashed in *after four years.*

This is in contrast to the position on with-profit plans, *where the surrender value after* four years yields far less than going the full 10-year term. *Thus these plans are particu*larly suitable to meet school fees due in a few years.

Bradford and Bingley Building Society, in conjunction with Eagle Star Insurance, earlier this year produced a lump sum investment plan that enables investors to get the tax credit. This society has just increased the interest rate on its *special* account by 1½ points, giving an all time record return on these type of policies.

Other societies which have improved their rates include Bristol and West, in conjunc*tion with Equitable Life, and* Bath and Investment with Royal Insurance. This latter *contract offers the highest* return at present. The table shows present returns.

It must be remembered that these returns assume that the present high interest rates will *be maintained over the invest*ment period. Returns will come down when interest rates fall, whereas *bonus rates on with*-profit schemes are much more stable. This should be taken *into consideration in making* a choice.

ERIC SHORT

YIELD, NET OF BASIC RATE TAX, AVAILABLE TO INVESTORS

	Man aged 30		Man aged 45		Man aged 55	
	4 years %	10 years %	4 years %	10 years %	4 years %	10 years %
Bradford & Bingley/Eagle Star	15.72	11.88	14.61	11.48	13.47	11.07
Bristol & West/Equitable Life	15.64	11.69	14.68	11.17	14.68	11.17
Bath & Investment/Royal	16.80	13.00	16.28	12.60	15.50	12.00

Treasure for life

A WITH-PROFITS endowment policy gives the investor a safe, steady above-average return for his outlay. But due to the ravages of inflation, the cheque handed over at maturity all too often does not fulfil expectations.

This is because the investor has been paying a level premium in money terms, whose *real value has declined. One* way of overcoming this is to pay an increasing premium to *boost the ultimate maturity* value.

Legal and General Assurance has attempted to provide for this in its latest savings contract, named appropriately the Treasure Chest Savings Plan. This is a 10-year policy where the premiums payable rise by 20 per cent of the initial value each year until the sixth year. They then remain fixed for the rest of the term.

So an investor paying £15 a month in the first year, pays *£18 monthly* in the second year, £21 in the third, £24 in the fourth, £27 in the fifth and £30 per month in the sixth and subsequent years.

*In theory at least, an inves*tor's earnings rise with inflation so he can afford to pay an *increased premium in successive* years and build up a worthwhile sum.

L and G has marketed this plan to existing policyholders. It is a recent innovation for life companies to offer direct to existing policyholders. It is, *however,* pleased by the response, finding that many policyholders have been grateful *for the opportunity* to take out a savings plan without any pressure from intermediaries.

Many of the responses have apparently come from the older investor who possibly has *adequate life protection from* a company pension scheme and can afford to put regular *amounts aside in a savings plan.*

Now L and G is making this plan available to the general public, but with normal underwriting procedures.

L and G, however, is not the first in this field. The Guardian Royal Exchange Assurance has marketed its Dynamic Savings plan successfully for a few years now. Under this scheme, the premium rises by 7 per cent each year right to the end of *the 10 year period.* GRE cannot increase it any faster or the contract would infringe the *rules for tax qualification. Thus* an initial monthly premium of £15, reaches £24.35 in the 10th *year.*

It should in normal circumstances be standard practice for investors to shop around to get the best contract. In this case the choice is very limited. For an initial outlay of £15 net, L and G's Treasure Chest offers the 30-year-old investor an *estimated maturity value of* £5,099. GRE's Dynamic Savings Plan yields an estimated £3,875.

But the premiums paid are lower, so comparison is almost impossible. It needs a lot of thought.

E.S.

Whither prices?

BY JUNE FIELD

ONE THING the plethora of *estate agents' end-of-season* reviews reveal this time, is that not so many are chancing their *arm at making hard and fast* predictions as to price rises next year.

Mr. Hugh Steele-Perkins, partner in Pearsons, with 20 offices in London and Southern England, makes the point that if house prices continue to escalate over the next 10 years at the same rate as the *last 10* years, a three-bedroom semi-detached house would be on offer at £107,100, and a detached version at £147,000.

"On the current house price: earnings ratio the owner's annual income could be between about £30,000 and £40,000. And consider the other end of the market. Will the man spending £150,000 on a country house today be paying £630,900 in 1990? If so he might be earning about £175,000 per annum."

Paul Jackson of Jackson and Jackson in Lymington, Hampshire, which takes in the desirable, *fast-selling* New Forest area, allows that 1980 may prove to be one of the most challenging years yet for property. "Even so we are still confident that property will remain a safe, sound and sensible investment."

Edward Erdman and *Company, summing up the residen*tial property situation in central London, admits that a *greater* number of properties coming on to the market and the restriction in money supply will cause a fall in property prices, the extent of which is hard to predict. For this agency the top end of the flat and house market was the first to show signs of a reversal and, although there were *still* a few purchasers from the Middle East, they have found that the interest from this part of the world has *virtually ceased.*

"This middle market in central London including *properties up to £100,000, has been* probably the most active, but flat purchasers continue to show increasing concern at the level of service charges, particularly in those blocks with oil-fired boilers, and the resultant uncertainties in supply and the cost of oil.

"*Tenant control over blocks* of flats continues to increase, with more and more associations organising themselves and purchasing freeholds; landlords continue to sell individual flats to statutory tenants at discount prices, and there are now relatively few blocks remaining as pure income-producing investments."

Some of this is good news for individual lessees, particularly, and Allsop and Co. considers that London *owners* certainly should take comfort in the knowledge that their homes have *beaten inflation* by as much as 7 per cent per annum during the 1970's. Says Robin Tyler: "*Not only is their capital* city a very pleasant place in which to live, but it is also one *which has provided them with a virtually unmatched investment* return."

The market is traditionally slow at this time of year, and the restriction of *mortgages* and increased MLR is bound to retard the property market. But *with new building costs already* increasing by 25 to 30 per cent, it is quite likely that London residential *property will main*tain its present value.

The end-of-year picture at Chestertons *shows an increase* on the average unit price in London of 30 per cent over last *year. In apartments the average* unit price in 1978 was £50,000; this year it is £63,250, showing an increase of 27 per cent. While in houses the 1978 average unit price was £87,400; this year it increased by 38 per *cent to £120,000.*

Although property values *have increased by an average of* nearly a third this year, the vast majority of foreign buyers paid *well under £100,000 for their* London accommodation. At Chestertons, nearly 83 per cent of their *foreign flat sales* were under this figure, with only 6 per cent paying over £150,000.

Charles Hawkins and Sons, with eight offices in Norfolk and Suffolk, see "prices rising *again* by an average of 20 to 30 per cent," because of "demand, inflation, shortage of *supply, increased purchasing* power, building material cost increases and rising land *prices.*"

The possibility of property prices dropping substantially if *a large number of people find* themselves forced to sell because of high interest rates, is conceded by Mr. Geoffrey Waite, senior partner in John German Ralph Pay, although he claims that "so grave a drawing-in *of belts has not* been particularly evident."

What he does draw attention *to is that there have been* examples of owners "testing the water," and not really intending to *sell unless they* obtain a fantastic price. "The change in the market should *slow down this practice,* which is no bad thing."

To understand the current property situation it is essential *to differentiate between asking* prices and actual selling figures. One needs to recall the rising prices earlier this year which prompted many over-enthusiastic vendors to continue upping their asking prices throughout the summer and even into the autumn. In fact, property peaked in the middle of the year, so many of the recent examples of price *falls* are simply the difference between the over-optimistic asking prices and the actual completion figure.

Braxtons, with offices in East *Sussex and Kent, noticed during* the peak months, that a higher than usual number of vendors *felt that it was unnecessary to* use an estate agent, and placed their homes on the market *privately, while others asked* for substantial cuts in commission rates, as they *considered it was easy to sell any* property.

"In a few instances, owners *were caught,* having agreed private sales on their own properties, and committed themselves to a purchase of another home on the assumption that it was reasonably safe as prices would continue to rise. *Some of these transactions* have now fallen through, and we have been brought in and had *to advise a considerably lower* asking price in order to achieve an early sale.

"*Some sales are also being* lost as purchasers decide that their proposed mortgage repayments are going to be too high, and have had to give up the house of their choice and look in a different price bracket. This also leaves the vendor stranded, as at this moment in time he will probably not achieve the sale price agreed several months ago; therefore, he in turn may not be able to afford the property that he was hoping to move to. So the chain reaction sets in."

The six-bedroom, two-bathroom Thorns Farmhouse, Sowley, near Beaulieu, on the edge of the New Forest, is in about 1.3 acres with a paddock and swimming pool. Offers in excess of £100,000 are being invited by G. R. Petherick, Strutt and Parker, 41, Milford Street, Salisbury, Wiltshire.

RISING COST OF HOUSING

Sample prices of houses and flats in London over the last three years.

VENUE	ACCOMMODATION Bed	Bath	Rec.	1977 £	1978 £ (% rise)	1979 £ (% rise)
Modern Flats						
Kensington Heights W8	2	2	1	38,000	65,000 (+71)	78,000 (+20)
Durrells House W8	3	2	1	47,500	67,000 (+41)	81,000 (+21)
Broadwalk SW7	4	2	2	130,000	200,000 (+53)	210,000 (+ 5)
Older Flats						
Florence Court W9	2	1	1	21,000	28,555 (+35)	42,000 (+47)
Wynstay Gardens W8	4	2	2	45,000	60,000 (+33)	94,500 (+57)
Modern Houses						
Abbotsbury Road W8	4	2	2	65,000	95,000 (+46)	145,000 (+52)
Oxford Square W2	5	3	2	110,000	155,000 (+41)	225,000 (+45)
The Marlowes NW8	4	2	2	90,000	120,000 (+33)	140,000 (+ 6)
Older Houses						
Hill Gate Place W8	3	1	2	46,500	75,000 (+61)	90,000 (+20)
Blomfield Road W9	5	2	2	135,000	175,000 (+39)	220,000 (+26)

Source: Chestertons.

Sitting on a house

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

FINANCE AND THE FAMILY

In 1976 my ex-fiance and I bought a house in our joint names. I paid the deposit and *he paid the mortgage. He was* abroad a lot in his job, and on my return from seeing him *there in 1978, I found the* mortgage has been cancelled. From that time I have paid *everything and have not seen* my ex-fiance since last January when I broke the engagement *It is clear to me that my* ex-fiance is just sitting waiting and letting the house rise in value, knowing that I shall have to pay the mortgage. I want the house transferred to my name, but my solicitor says I am just a tenant. What can I do, as I *don't want to lose my house,* and I want the house transferred to my name only?

Your best course would be to consult another solicitor with a view to his advising you as to your proprietary interest in the house. It may be desirable for you to serve a notice severing *the joint tenancy if the convey*ance was to the purchasers as joint tenants in equity. However, *it would be wiser not to* do this until you have consulted your solicitor. We think that you undoubtedly *have a sub*stantial financial interest in the house, the only question being *whether that interest is 50 per* cent or greater. However, it may be difficult to establish a *claim to security of tenure or to* the whole property, and it is likely that you will have to *negotiate with your co-owner if* you want the property transferred into your name alone.

Repairs to a wall

A building company requests access to my garden to carry out remedial works to the retaining wall, which, after a period of two *years* from construction they admit is inadequate. The wall adjoins a *public highway.* Events since I bought the property make me distrust the company and I *am not satisfied that the* replacement of bushes etc. wil be carried out satisfactorily. I have *suggested the company* deposits a sum of money with my solicitors as evidence of *good faith to restore the area* involved and pending agreement of compensation, which I believe to be due to me. This they refuse to do. Further, I am concerned about danger to the public from a collapse of the wall. What course of action do you suggest?

If the company has not reserved a right of entry onto your property to *maintain or repair* the wall you are not obliged to allow it entry, and your request for a deposit would be a condition which you are entitled to impose on giving permission to the company to enter. However, if the result is that the work is not *done, you may be in some diffi*culty in claiming any damages for the collapse of the wall. We *do not think that you could be* held responsible for damage to others (that is the public) *if the wall itself is not within your* property. If on the other hand, the wall is yours you would be *wise not to place any obstacle in* the way of its being strengthened.

Costs and a small estate

A cousin *of mine died* intestate leaving a very small estate, those entitled to it being the descendants of her grandfather. I know about those on my side of the family, except the address of a cousin in America, but the solicitors *are now trying to find out about* any descendants on the other side. At this rate, the *estate will soon be swallowed* up in legal fees. What should the administrator do? Who would be responsible for costs, if they *exceeded the size of the* estate?

The solicitors are acting *correctly in trying to trace the* missing issue of the deceased's other grandfather. There should, however, *be no reason* why at least half the estate should not be distributed to issue of the grandfather through whom you would take, retaining the share due to the cousin in America. You should invite the administrator to do *this. He should not incur* costs beyond what is in the estate. If he does so the loss *would fall on him.*

Separate transactions

I am about to buy two small flats in a converted house, *separated by a passage and* stairway to the next floor, so that they could not be *combined into one flat.* While the price of one of them is well below £15,000, my *solicitor says* that because I am buying them at the same time from the same vendor, I must pay stamp duty on the combined price of the two. So far as I am concerned, these are two wholly separate transactions though carried *out at the same time.* What please is your view?

We think that there is a *reasonably strong case to be* made out for your contention—it can be tested by submitting the leases or transfers for *adjudication with a certificate* for value, and inviting the Controller of Stamps to agree that *the transactions are wholly* separate. However there is a risk that the purchase will be *characterised as one transaction* if you intend to occupy both flats simultaneously—in the same way *as the purchase of* a flat and a garage would be a single transaction.

Joint house and bankruptcy

Last July I *had the mortgage on* our joint house transferred from my husband and me solely to myself and at the same time arranged a loan with my husband to pay him for *the* quarter share he had in the property, the deeds of which *was transferred to me. One* of my husband's auditors is now threatening to bankrupt him. If *this happened, would the* receiver be entitled to claim half the market value of the house or would I *just be liable* for the loan less the repayments I have made?

We think that there should not be any ground to set aside your purchase unless the bankruptcy petition is presented within six months of the transfer of the *last quarter share in July. Even* if the petition is presented within this time your position would be *secure if you paid full value* for that quarter share.

Scots feudal tenure

I recently bought a house in Scotland and after completion of the sale the Land Superior's solicitors drafted a new feu Charter which included a new clause to the effect that the Land *Superior, who was the* previous owner, has an option to re-purchase the property as *equal to the highest offer* and must be given 21 days in which to decide whether or not he wishes to repurchase. I feel *that this is an imposition* which should not be made after the sale and in any case this could *prove to be a hindrance in* making a deal with a prospective purchaser. Were not these option rights of a *Land Superior abolished when* the "Feudal Act" was reviewed some years ago? Is it legal to *produce a new feu charter after* a property hs been sold?

What you do not make clear in *your letter is* whether the provision that the superior (who was also the seller) established the provision that he was to have a right of pre-emption in the missives of sale or whether *that simply appeared in the Feu* Charter without you having any prior notice thereof. The system of conveyancing in Scotland is that the bargain is concluded by probative missives exchanged by the parties' Solicitors.

All provisions which eventually *appear in the title should* be expressed and agreed in the contract established by the missives. If *the missives contained* a provisio nwhich you agreed to in that the seller superior had a right to re-purchase the property *on* certain terms then you are bound by that and cannot be heard to complain when such a provision appears in the *title.*

However, conversely, if such a provision was absent from the missives then the seller/superior cannot insert *such* into the Feu Charter and bind you to it.

The Land Tenure (Feudal Reform) (Scotland) Act 1974, which we assume you are referring to simply abolished *the right to create new feu* duties but did not abolish the system of feudal tensure or preclude a *feudal* superior from imposing further feuing conditions.

TRAVEL

Ludlow waits again

BY JULIAN CRITCHLEY

Ludlow: passing time.

IT WILL be a poor New Year in Ludlow this year. What the town wanted was the present of its by-pass, talked of for 40 years, planned for 15 and under construction for 30 months; but *it is not to be. Mr. Kenneth* Clarke, the junior minister at the Ministry of Transport, was to have opened it this week only to be told at the last moment of yet another delay. It will not now be until February at the earliest that the juggernauts will swing eastwards away from the town and Ludlow left in peace.

Ludlow is a gem. I remember, as a child, Professor Joad asserting on the wireless that "Ludlow was the most beautiful *small town in England*," an opinion which endeared me to that cantankerous and wrong-headed old man. A small town of 7,000 people tucked up against the Welsh hills and saved from the Brummagem commuter by the barrier of the Clee Hills, Ludlow is seedy, stately and very beautiful. For Housman and his Society, Ludlow was the capital of his "land of lost content," the town his Shropshire lads were either striding to on a May morning *or staggering away from, a task* that today's traffic would make hazardous indeed.

The A49 North to West route runs through the middle of Ludlow. Giant lorries, cars and caravans cluster to take their turn to cross the 14th century Ludford Bridge, grind up Old Street to the Bull Ring at the top of the town where the four-way crossroads is so narrow that one small corner shop has a carpenter on daily call to repair the damage, plunge down Corve *Street, past the Feathers Hotel* and out into Shropshire. The trunk route cuts through the heart of the medieval core of *Ludlow, the whole of which is* a conservation area, shaking the foundations of its buildings, Tudor, Jacobean and Georgian, keeping the tourists from their sleep, and putting the lives of Ludlovians at risk. In Ludlow the motor-car is seen at its worst.

While appetites had been whetted before Hitler's war, it was not until 1960 that the County Council made the money available for a by-pass. The *route was to have run to the* West, cutting along the banks of the River Teme and up over Whitcliffe, a wooded hill over-hanging the town.

This would-be act of desecration had the support of the County, District and Local councils, but at a public enquiry in 1973 the Inspector ruled in favour of an Eastern route away from the town. The Secretary of State, Peter Walker, backed him, and the town was saved. But the enquiry has only been one cause of continual delay. Put into every programme and taken out, the road was eventually due to begin in *January, 1977 only to be postponed* for another six months by the Labour Government's spending cuts. The town's MP, *Sir Jasper More, led a delegation* to London, and work started in July, 1977 on a two-year contract.

The contract for the road, which is five miles long, was given to Mears at a cost of £4.3m. In February this year Mears hit financial problems and work on the road continued under the liquidator. The line of the road has been bedevilled by springs, tarmac once laid has had to be taken up and replaced, *and work in general seems to* have proceeded with all the dignity, delay and ritual courtesies characteristic of *siege warfare in the 17th century*. In the meantime tempers have risen and the "sack" of Ludlow at the hands of long-distance lorry-drivers goes on.

What effect will the by-pass have on Ludlow? The editor of the *Advertiser* thinks there will be "relief followed by disappointment," but Dr. Martin Speight, a schoolmaster who is chairman of the Civic Society and sits on the town's planning committee, says it will be "nothing but good."

In the last few years Ludlow has been changing away from the bustling market town packed with farmers and their wives in *Doris Archer hats towards* something more gentile and aspic-covered. A quarter of the town's inhabitants are of retiring age (Ludlow has more retired, more young children and more unemployed than the average), and the local firms of builders are busy renovating and refurbishing Georgian town houses and medieval cottages. Property values, already the highest in Shropshire, should soar, particularly in Corve *Street*, and the number of antique shops and building society offices will grow.

George Kellett, the chief *executive of the South Shropshire* district, stresses the need to keep the town prosperous—more than just a museum. To this end light industry is to be encouraged to take up land between the by-pass and the town. "We need to get rid of all the yellow lines," which is good news, and as a further move to help the flow of traffic the inner ring road is to be completed.

In Ludlow there is only one ugly building, a Victorian market *hall built of midland-red* brick which resembles a large public lavatory. It will cost more than £50,000 to repair. Why *not tear it down and replace it* with a replica of its predecessor? Whatever happens, the example of Shrewsbury, where one monstrosity was replaced by a worse one, must be avoided.

For years Ludlow has been a well-kept secret, but the festival, and publicity such as a recent film on television and even the by-pass itself will make its beauties more widely known.

COOKERY

Saga of a sucking pig

BY JULIE HAMILTON

AM I the *only one who hates* to celebrate New Year's Eve? I hate anything which so dramatically marks the passing of time.

I must have tried almost every possible way of seeing in the *New Year—the Arts Ball*, the big party, the little party, walking round town, Trafalgar Square, a table for two, or six, or eight, or 10 at a favourite restaurant . . . all hell for me until, a few years ago, we decided to have a rather extravagant dinner party at home, for which I would cook something special and more difficult than usual. *I ended up being* so worried about the cooking that I forgot to worry about New Year's Eve and thoroughly enjoyed myself.

We do the same each year now. This poses a big problem. Since we invite mostly the same people, and each year's menu has to be better than the last, there are sleepless nights until *the meal is planned*. One year I chose to cook a sucking pig. I had read a recipe which told me to buy a piglet three weeks *old weighing approximately* 10 lbs. Off to the butcher, and then to every other butcher in the neighbourhood. No madam, piglets are not *killed until* at least five weeks old when they weigh over 15 lbs and will cost you about £26. Too expensive and too big. It so happened that I was lunching a few days later at the Gay Hussar in Greek Street, Soho. I put my problem to my friend Victor Sassie, the owner; he serves sucking pig and I was sure he was not *paying £26 at that time*. "Leave it to me," was all he said.

A week later my husband was lunching there and, as he was paying the bill, Victor asked him to wait a minute, disappeared and came back, grinning wickedly, with a shallow box about 30 inches long and 24 inches wide. In it lay a nude piglet. "Fresh today," said Victor, "settle with me later," and vanished, leaving Mike holding the baby.

When he came home that *night my husband downed his* first whisky at twice his normal pace. It was not just the expected ribaldry which had greeted him on his return to the office after lunch, nor the odd looks he was given on the train home as he struggled to hoist *his package up to the luggage* rack; it was being accosted by a lady passenger who turned out to be a sort of one-woman Society for the Protection of Piglets that made him so thirsty.

Picture the scene: on my kitchen table lies the piglet which is about eight inches too long for my oven. Do we cut off the head? No, that would spoil the effect. Fortunately I have two ovens. We cut it in half and it collapses. If I cook it like that I cannot join it together again for serving. Panic, I have ruined it. No, I have an idea. Wire coat hangers bent to the right shape and inserted in the cavities produce a rounded plump piglet in two halves.

Now to cook it: 10 ozs of rum mixed with 10 ozs of olive oil. Rub all over with some of this mixture, then with two tablespoons of salt. Wrap the ears and tail in tin foil and plug the mouth with a suitable piece of wood, which will be replaced by a rosy apple when serving. Cook for 25 minutes to the pound, basting every 15 minutes, in two ovens preheated to gas mark 3 (325F). My bathroom scales record 18 lbs of piglet which means a cooking time of more than seven hours.

My instinct tells me that is too long. And 20 ozs of basting mixture will not be enough (I cannot increase it because I have no more rum). So I cook it for five hours. Two ovens, two people, the pinger going every 15 minutes at basting time. Who has the first bath? Do not forget to baste. Get off the phone, baste. Bath the kids, baste. Wash your hair, baste. Lay the table, baste. Did you remember to baste? No, it was your turn. No, yours. Oh, do get on. . . .

In the end the suckling pig, dark golden brown all over, was my greatest success. I served it on an outsize garden tray which was lined with tin foil. When I removed the coat hangers the piglet joined together as if it had never been cut. It was a fantastic sight and tasted like nothing else I have ever had the agony to cook. Red cabbage, sauté potatoes, green salad . . . and I forgot it was New Year's Eve.

It is easier to find suckling pig in the shops now; should you be tempted to cook one, it will probably cost you £30 *or more*. Smaller *ones* do not come any cheaper because piglets are generally sold at a set price rather than by the pound.

If you have been overtaken by Christmas and not paid enough attention to the fact that you have invited two couples for New Year's Eve, may I suggest a main course that is fairly spectacular to serve but quite *simple to cook*. It can be prepared the day or the morning before the dinner, but it is necessary to know if your guests like their beef well done or rare because this dish is at its best when the meat is very rare. This version of Filet de Boeuf en Croûte does not include the paté as I find it detracts from the supreme flavour of the beef.

FILET DE BOEUF EN CROUTE

serves 6 to 8

3 lbs fillet steak whole; 3 ozs butter; 3 tablespoons brandy; 1 lb puff pastry; 1 egg yolk; ***lots of black pepper.***

Trim all the fat from the fillet. Rub it with salt and lots of freshly ground black pepper. Melt the butter in a large frying pan; when very hot seal all sides and ends of the fillet in it for about three minutes. Then flame with the brandy for a couple of seconds, remove from heat and blow out the flames quickly so that not all the brandy evaporates. Allow to cool in the pan.

Roll out the puff pastry to about a quarter of an inch thick and large enough to wrap the meat in it. Leave a little pastry on one side for decorations. Place the now cooled meat in the centre of the pastry, scrape all the juices from the pan onto the top of the meat and fold *the pastry over to make a neat* oblong parcel, sealing it very well at the ends and top. Now roll out the remaining pastry as thinly as possible and, with a pointed knife, draw and cut out your chosen decorations.

Even writing something as simple as Happy New Year is fun. If you have children who have large stencils or small plastic alphabet letters, it is easy to cut around them to form the letters you need.

Beat the egg yolk with a little water and brush it all over the pastry to form a glaze. At this stage you can either cook it or put it in the fridge for up to 24 hours. To cook, heat the oven to gas mark 6 (400F) and bake for about 30 minutes. A green salad is best served with *this dish, and perhaps sauté* potatoes. I do not suggest a sauce because, when cooked this way, the meat is so moist and the flavour superlative.

Bon appetit and a Happy New Year to you.

SNOW REPORTS

EUROPE	cms	
St. Anton (Aus)	55—140	Good, powder in gullies.
Seefeld (Aus)	15— 35	Good, becoming icy.
La Plagne (Fr)	130—160	*Piste getting worn*
Isola (Fr)	110—140	Rocky on low slopes.
Serre Chvlr. (Fr)	40—130	Worn on low slopes.
Davos (Sw)	50—120	Excellent skiing.
Wengen (Sw)	33—100	*Good. Low slopes icy.*
Grindelwald (Sw)	30—100	Pistes v. good above 1,500m.
Muerren (Sw)	80—140	Good snow everywhere.
Details supplied by Ski Club of Great Britain representatives.		
THE U.S.	ins	
Sugarbush (Vt)	4—12	Man made. 5 of 70 runs open.
Stowe (Vt)	4—10	Man made. 4 of 30 runs open.
Hunter (NY)	4—30	Man made. 15 of 35 runs open.
Aspen (Col)	14—35	*Some new snow. Worn patches.*
Park City (Utah)	1—20	More snow need'd. 18 of 65 opn.
Squaw Valley (Calif)	48—80	Cold. Powder and packed. Fog.

Figures indicate snow depth at lower and upper stations.

Changing world ahead

MOTORING

STUART MARSHALL

One possible way to save energy is to give a car two engines—one internal combustion, one electric. This Fiat hybrid car has a small four-cylinder engines from the model 127, and an electric motor, both feeding power to the rear wheels through a torque converter. For cruising, the hybrid relies on the petrol engine alone. When accelerating or hill climbing, the electric motor cuts in, giving a useful performance boost. During braking, the electric motor feeds current back to the battery. It's quite pleasant to drive and Fiat reckon it might be able to achieve a fuel saving of about 30 per cent. Of course, there are snags. The boot is full of batteries and control gear and the price would be sky high. It is just one of a number of energy-saving projects now in hand at the Fiat Research Centre, Turin.

AS THE Seventies become the Eighties, what can the motorist look forward to? The one certain prediction is: more expense.

How much more no-one can possibly tell but if the next ten years turn out to be as *inflationary as the last ten*, the outlook is grim. Just take a look at the cost of buying a car.

At the end of 1969 a Mini 850 cost £596. *Today, the Mini City*, which differs only in detail, costs £2,404. That is an increase of 400 per cent which, as new car prices go, is fairly modest. The Ford Cortina 1300, then £830 and now £3,505, is 420 per cent dearer. A Jauguar XJ6 4.2 litre which cost £2,404 this time ten years ago is now 575 per cent more expensive at £14,609. That makes a Rolls-Royce Silver Shadow a relative bargain today. It has gone up by only 460 per cent, from *£7,959 to £36,652*.

If inflation goes on during the 80s at the same rate as it did in the 70s, a 1990 Mini will cost *£10,000*, a Cortina 1300 *will be* £14,721, a 4.2 litre Jaguar, £84,000 and a Rolls-Royce Silver Shadow, £386,000. Impossible? Ridiculous? Don't bank on it. Think what you would have said on New Year's Day 1970 if someone had seriously forecast that a Mini would cost £2,400 in ten years time.

The cars themselves will, of *course*, change considerably during the 80s. The few remaining "gas guzzlers" of Europe will follow the behemoths of Detroit to early oblivion. By the end of the decade a two-litre car will be considered to have *quite a large engine*.

Unquestionably, cars will become lighter, too. Plastics, though mainly oil derived, will be used more and more for exterior components like bonnets, boot lids, mudwings and *bumpers, but the steel shell of* the car will remain for crash protection as well as economic reasons.

Car bodies will not become smaller for the obvious reason that the human frame cannot be *shrunk. The cheap (or perhaps* I should say least expensive) family car of the 80s won't be a sub-Mini. It is much more likely to resemble the new Fiat Panda, due for official announcement by early spring. Despite *its small engines*—both under one-litre capacity—it is a proper four/five seat family hatchback with a lot of luggage space.

Our cars will continue to run mainly on oil products throughout the 80s. Petrol engines will become much more economical due to improved design, especially of cylinder heads, *and the use of micro-processors* to control fuel/air mixtures, ignition settings and perhaps select the right gear.

The use of diesel engines will spread. Other than BMW, Saab and Lancia, British Leyland is now the only European volume car maker not offering a diesel engined model. Hopefully, this will be put right in 1980. Diesel *is the* best of the alternative fuels for passenger car use. Alcohol, mixed with low octane petrol to produce "gasohol," is *unlikely to become important in* Britain simply because we do not have the land, labour and climate to produce crops to *turn into alcohol*.

Liquid petroleum gas will gain popularity as a motor fuel but is more attractive to fleet operators, who buy it in bulk, than to retail motorists. Converting a car to run on LPG is *quite costly—about £200—and* involves loss of boot space. There are fewer miles per gallon of LPG than of petrol and the price in miles-per-penny is closer to that of petrol than many people think.

Until something better than the lead/acid accumulator comes along, the battery-electric car will remain what it has been for a generation—a great non-event. A 10-gallon tankful of petrol contains as much energy *as two tons of lead/acid* batteries. The battery vehicle might come into limited use in the 80s as an urban runabout. For this, its performance is quite adequate but while production is in handfuls, not in *tens of thousands*, the price must always be unrealistically high. Some special incentive is needed to popularise the battery car. Perhaps it might extend to remission of special car tax and VAT—or even allowing drivers *to park* them on single yellow lines without getting tickets.

The car has become much less offensive environmentally in the *70s* and exhaust emissions will become purer still in the 80s. A sensible balance will have to be struck, though, between the *need to reduce emissions and* to save fuel. Already, the U.S. car engine, loaded down with equipment to clean up its exhaust, uses far more petrol than it needs.

There will be changes in tyre design in the next ten years. At first, tyres will get wider and lower for performance (road-holding, steering response and traction) reasons. In a few years the trend may go the other way as reduced rolling resistance—and hence fuel saving—becomes more important. The spare tyre will gradually be discarded, first on cars used mainly for short trips but later on those driven for long distances.

The modern car has become remarkably safe to have a crash *in. Future developments* will improve their resistance to sideways impacts and make them less likely to injure pedestrians. *Self-wrapping seat belts, like* those already fitted to the VW Golf sold in America, will become popular.

It would be nice to forecast that motoring might once again become a more pleasurable activity in the 80s. Sadly, I think the reverse will happen. But at least we should be able to retain the right to personal, independent mobility—at a price.

هكذا من الأصل

HOW TO SPEND IT

by Lucia van der Post

New Year Champagne Quiz

THIS WEEK is the time for our now traditional holiday-time quiz. I have once again asked Quiz Digest, the monthly magazine for quiz and puzzle addicts, to compile it for us. I asked them to make it as varied as possible with some questions for the more numerate among our readers, others for those of a more literary bent and yet others for those who quietly fancy themselves as logicians. So there ought to be something here for everybody and if the whole family pools their various talents it ought not to be too difficult to answer most of the questions.

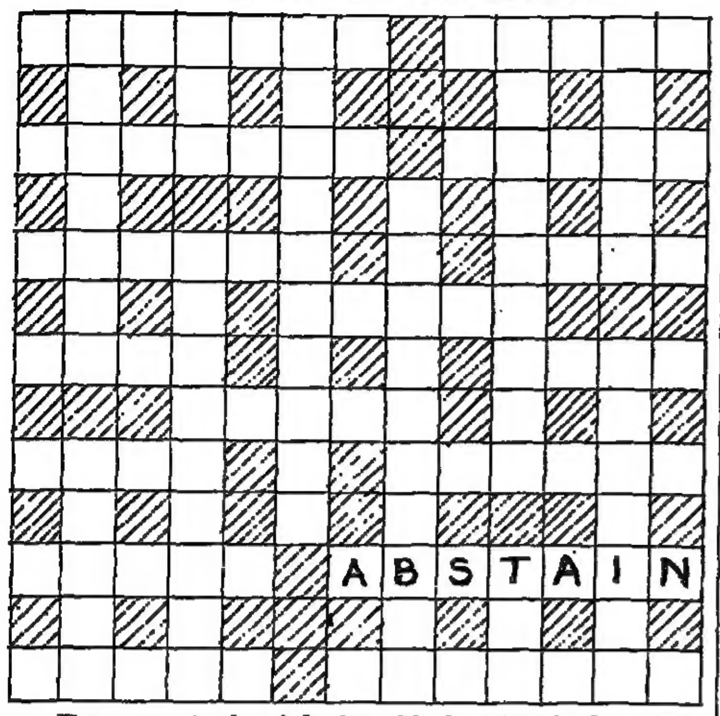
Fill your answers in in the spaces allowed on the page itself—old-hands will realise at once that this means that it is best to start working on a photo-copy or on pieces of rough paper. Do print words clearly and use a coloured pen or biro.

As usual we are offering three prizes—a magnum of champagne each to the first three correct or nearly correct entries opened in this office on Monday, January 14th.

Answers and results will be published on the How To Spend It page of Saturday, January 19th. Mark your envelope "Quiz" and send it to: How To Spend It Page, Financial Times, Bracken House, 10 Cannon Street, London EC4.

I hope you enjoy doing the quiz and wish you all a happy New Year.

ALPHABETICAL CROSSWORD



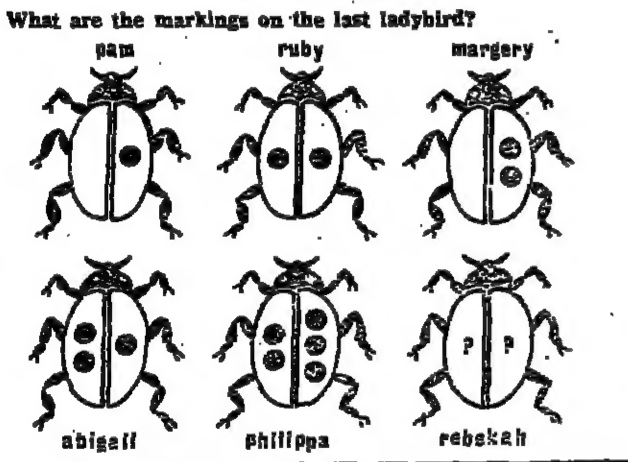
The answer to clue A begins with the letter A, the answer to B with the letter B, and so on. When all the clues are solved, fit the answers into their correct position in the diagram. One answer has been inserted to start you off.

CLUES

A Seaman leads tipsy saint in refrain (7)
B Courageous Red Indian warrior? (5)
C *Walk heavily round a cluster* of trees, perhaps (5)
D Uncovered and divided up odd slices (9)
E Run off with an oriental pole breaker (5)
F Country rodent filed wrongly *with a timid person* (10)
G Shown the way by a uniformed girl? (6)
H Impede the rear, apparently (6)
I Top of pinky is knocked off and becomes very black! (4)
J Engage in combat over just about nothing (5)
K Staying in east Peking, strangely enough (7)
L Be prone to make false statements (3)
M *Take away sum in unusual* way? (5)
N Cancel out in fully reorganised manner (7)
O Leaves out moist metamorphosis (5)
P *Sign of an adder?* (4)
Q Way to subdue a queen, it turns out (7)
R Forgiveness of sins—concerning a religious body (9)
S Only a fish (4)
T Just the chap to spread the hay? (3)
U Remarkable United Nations general (7)
V Essential statistics for women? (5)
W *Small Scots dynamo head is* lanky and feeble (5)
X *Fear of strange things* resulting from a broken box I heap on (10)
Y Three-foot measurements used to change day gear (7)
Z Gaze aloft, concealing intense enthusiasm (4)

SPOT ON

What are the markings on the last ladybird?



REBUS

(7,2,6)

CURRENT AFFAIRS

1 Where did Skylab fall to earth?

9 What is the name of the Chinese chairman who visited Britain from October 28 to November 3?

2 Where was Gracie Fields buried?

3 On what date did *The Times* reappear on the news-stands?

10 What was the name of the British freighter which rescued 982 Vietnamese boat people in the South China Sea in May this year?

11 Which 1979 Wimbledon finalist married which 1978 Davis Cup finalist?

4 Who was given what at Papworth in August?

12 Which United Nations ambassador's indiscretion caused his resignation?

13 Which former Labour cabinet minister lost her seat in the General Election?

14 Who was made Warden of the Cinque Ports?

5 Who was awarded the Nobel Peace Prize for her work in Calcutta?

15 Whose travels took him to Poland, Ireland, Mexico, and the United States?

6 Name one of the three world records broken by Sebastian Coe.

16 Which cinematic "bitch" followed the "stud?"

7 Which British author was buried at sea?

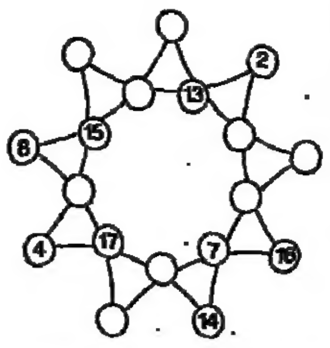
17 Which newscaster's engagement to which television reporter was broken off?

18 Where are the 1980 Olympic Games to be held?

8 What is the name of the man who alleged that he had been hired to murder Norman Scott?

19 1980 will have something in common with 1944 which 1965 and 1979 did not have. What is it?

MAGIC STAR



Using the numbers one to 18, complete the star so that the total of the numbers along each curve equals 38.

TRICKY QUICKIES

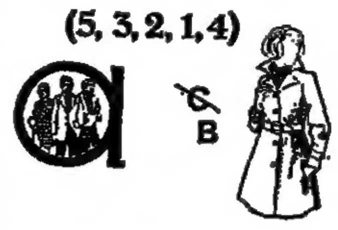
1. John is five years older than Peter. In four years time John will be three times as old as Peter was last year. What are their present ages?

2. George is going away for the weekend and wants to take three shirts with him. There are five shirts in his wardrobe from which he can choose. How many possible different selections could he make?

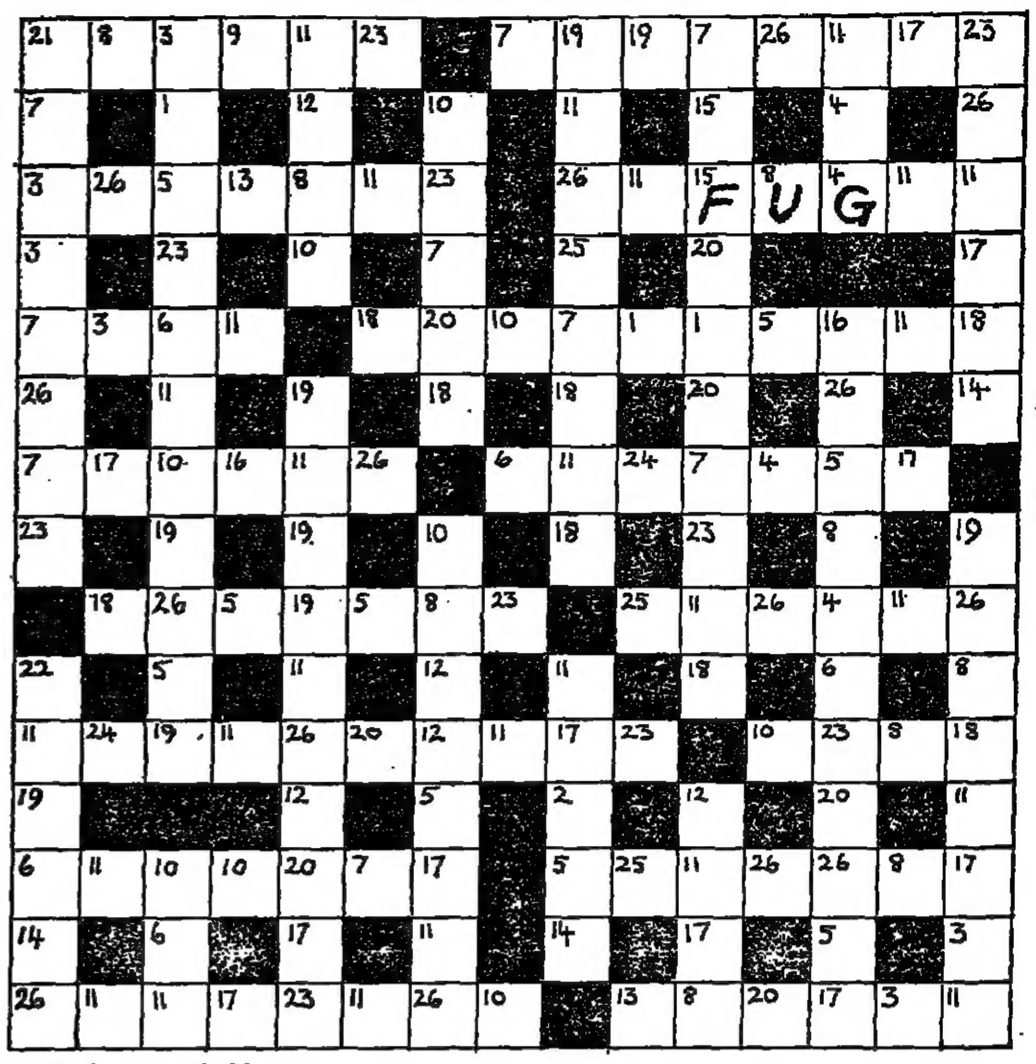
3. In a leap year, if New Year's Day falls on a Wednesday, on which day of the week does May-day fall?

REBUS

(5,3,2,1,4)



CROSS REFERENCE



Reference Grid

1	2	3	4 G	5	6	7	8 U	9	10	11	12	13
14	15 F	16	17	18	19	20	21	22	23	24	25	26

Discover which letter of the alphabet each number in the diagram represents. We tell you that 4, 8 and 15 represent G, U and F respectively, so repeat these letters wherever 4, 8 and 15 occur in the diagram. This should give enough clues to the identity of sufficient other letters to enable you to start guessing at likely words. The finished diagram will resemble a normal crossword solution.

LOGIC TEST

Five performers are appearing in an amateur variety show at the Village Hall. From the information given below, can you identify them, say what their respective acts are, and in which order they appear during the first half of the show? Use the *grid below to help you solve the problem. Record all positive* information with a tick and all negative information with a cross.

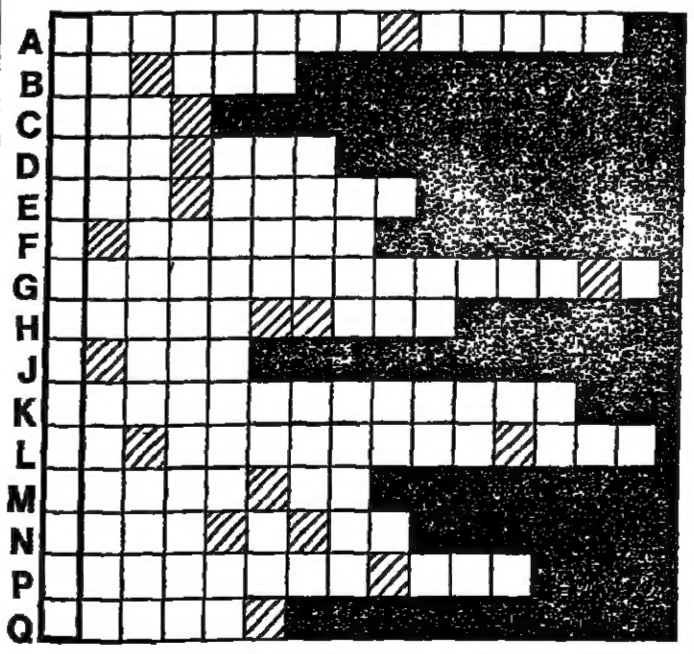
CLUES

1 The turns which open and close the first *half* of the show are both men.
2 Johnny Gould comes on immediately after the comedian.
3 Gloria appears later in the programme than both Innes and the pianist.
4 The lady called Harper per*forms immediately before the* dancer.
5 The male juggler is second on the programme.
6 Tommy, who is the singer, does not open the show, and his name is not Johnson.

	FOWLER	GOULD	HARPER	INNES	JOHNSON	COMEDIAN	DANCER	JUGGLER	PIANIST	SINGER	1st	2nd	3rd	4th	5th
ARTHUR															
BELLA															
GLORIA															
JOHNNY															
TOMMY															
1st															
2nd															
3rd															
4th															
5th															
COMEDIAN															
DANCER															
JUGGLER															
PIANIST															
SINGER															

LITERARY TYPES

The answer to the DOWN clue in this puzzle fits into the first column, thus giving the starting letters of all the answers ACROSS. If you answer the clues correctly, the shaded squares, when taken in order, will spell out the title of a well-known play and film.



DOWN

Famous novel by H. G. Wells on which several films and a television series were based (3, 9, 3)

ACROSS

A Dramatised version of *The Wind in the Willows* (4, 2, 4, 4)
B Plain, practical sermon (6)
C Jane Austen's clever, self-satisfied heroine (4)
D Famous novel by Sir Walter Scott set in the period following the Norman Conquest (7)
E Home of Captain Marryat's children? (3, 6)
F French philosopher and author whose works include *Candide* (8)
G Alistair MacLean's novel set in the polar wastes (3, 7, 5)
H French artistic and literary movement that aimed to express the subconscious and to transcend reality (10)
J *Homer's epic poem set in the* Trojan War (5)
K *Writer and illustrator whose* works include *The Tale of Peter Rabbit* (7, 6)
L Creator of "the Saint," the Robin Hood of *crime* (6, 9)
M Babar in the children's books *by Jean de Brunhoff* (8)
N Valuable gem in a famous *novel by Wilkie Collins* (9)
P Lengthy novel about a tragic, adulterous love by Leo Tolstoy (4, 8)
Q Nymphs of rivers, lakes and fountains (6)

ANAREBUS

To crack the code, simply write down the names of the things pictured here, working from left to right, and number the letters from 1 to 24. Then rearrange the letters to the Anarebus code given to reveal three gifted travellers.

CODE
10 15 20 7 24 18 4 1, 13 A 6 11 2 17 9 14 16 21 A 19 23 8 12 3 22 5

THE ARTS

Always with us

RADIO

ANTHONY CURTIS

At the end of another year's radio-listening it behoves the critic to attempt some kind of summing-up; this is peculiarly difficult with so continuous, heterogeneous material as the radio output. We have now reached a situation where some form of radio is being broadcast for twenty-four hours a day every day of the year and even with the aid of that blessed invention, the time-switch operated cassette-recorder, it is simply impossible to keep up with more than a tenth of it. How then does one choose what to review? My method is purely subjective. I scan Radio Times each week, and the IBA schedules, ticking off anything that fires my enthusiasm. My deadline is Friday morning which means that anything broadcast on a Friday evening tends to get rather short shift.

I have a bias towards drama, dramatised features and documentaries, poetry: what used to be called the spoken word. I enjoy talks but find them difficult to review. I listen fairly regularly to programmes like *Start The Week* and *Any Questions?* in a kind of love-hate, but do not see any point in writing about them more than once in a blue moon. The music output which I suppose accounts for at least half of the time I leave entirely to my expert colleagues.

I also have a bias towards archive programmes—radio as the resurrector of what was once all the rage rather than prophet of the shape of things to come. I am fascinated to hear again, often on Radio 2, the comedians and popular musicians from the days when radio had undisputed hegemony over home entertainment. I adore programmes like Alistair Cooke's illustrated histories of swing and boogie-woogie. I wish he could be given a permanent weekly slot in which to play and comment on old records. I am semi-addicted to Peter Clayton's jazz programmes. On the other hand, I find my thirst for quizzes and panel-shows very easily slaked.

Undoubtedly radio has regained some of the hegemony it appeared to lose to television ten years ago. There are times when one either does not want, or it is not feasible, to watch television; breakfastime, for example, or when you are driving along in a car. At these times radio comes strongly back into its own. Programmes designed to fill these hours have to be lively, and undemanding in the sense that they do not monopolise all your faculties in the way that television does. Last week I mentioned *Tuesday Call*: that is a good example of a high-grade, undemanding programme; so is *Checkpoint* with the intrepid Roger Cook which has shown how radio can become a powerful weapon in the war against the con man.

Such programmes are timed to come on before the mass exodus in the evening to the TV screen begins. It is then that the serious radio producer is up against it and has to be content with a minority audience for a play, a dramatised adaptation or an arts feature that is often more intelligent, more entertaining and better acted than its counterpart on television but heard only by a minority. This problem is one with which the handful of highly talented people who have devoted their lives to creative radio, genuinely preferring to work in that area rather than in television, have to face. At present they have a managing director, Aubrey Singer, who has come to radio from television, and has his own views about how to recover the audience. One of his notions is to make a splash with an ambitious stereo drama presentation to be repeated several times and to call it Hi-Fi Theatre. "We have tried to restore a sense of occasion to the evening," said Mr. Singer earlier in the year. Hi-Fi Theatre began in March with Paul Scofield in an adaptation of *Under the Volcano*, and from these mountainous heights it has descended to musicals made out of minor Rattigan and Priestley revivals. No more sense of occasion has in the event attached to these productions than to any other, and the future of this experiment must be in doubt.

Another approach has been to penetrate unsocial times when the TV audience may be wooed back to radio such as the late evening, and to extend radio to the small hours when the lack of visual content to the entertainment is a gratefully accepted limitation. Hence the *Just Before Midnight* series of quarter-hour plays. But again the hoped-for audience has not materialised and, though the slot has proved a useful exercise for new writers, the standard has not been particularly high. Here, as in many other areas of creative radio, the 1980s are likely to see many reappraisals.

Aubrey Woods, Joe Melia and Christine McKenna

Aladdin

BY B. A. YOUNG

"Instead of a pantomime," says Sandy Wilson in the programme, "this *Aladdin* would be a musical comedy—for children, of course." A musical comedy is not quite the same as a musical; Mr. Wilson's style harks back to the '30s, with little bits of formal dialogue separating thirtyish songs that illustrate the story rather than advance it. This *Aladdin* at the Lyric, Hammersmith, has been generously mounted, with strong players in supporting parts, lavish costumes and scenery by Clive Lavagna that with the aid of an infinity of flats falling from the flies evokes a notional Peking. It may not be Cathay, but at least it's Nescathay.

The tale, taken straight from the *Arabian Nights*, doesn't vary much from the traditional pantomime versions, except that it goes on rather longer and embarks on the bit about Abanazar and the roc's egg just when we think (after two hours and a half) that a happy end has been reached. It's a good tale, and prettily presented, but my feeling is that this is not more than a useful first draft of a possible show.

It is weak in dialogue. Although I'm about to say that the show is at least 20 minutes too long, there ought to be more dialogue, and better. Comedy is almost entirely missing. The widow Tuang Kee Chung, sic, is played by Joe Melia—one of several concessions to pantomime tradition—but his material offers him nothing with which to raise laughs. The only genuine comic character is the Geni of the Ring (Belinda Lang), who emerges under her finery as a pretty Soho receptionist more likely to whisk you into a sauna than into the deserts of Morocco. The Geni of the Lamp (Martin McEvoy) is given a comic song too—"Green is beautiful"—but as he hasn't been built up as a comic figure, and as the song comes at an awkward point where we are all longing for the first act to end its ninety minutes, it goes for nothing.

I suppose the girl sitting on the front of the stage on the OP side and making comments in a Japanese accent is meant for comedy too, but I hadn't the faintest idea what she was there for, unless it was a desperate scheme for extra prompting.

Having added dialogue, the next thing should be to subtract music. For instance, Abanazar's opening recitatives hardly grab the attention, and his dance with the spirits, like most of Geraldine Stephenson's choreography, does little to raise the spirits. Later, it was nice to see Elisabeth Welch again, as Fatime the wise woman; but although she is authentic *Arabian Nights* material, she is a dispensable character who gives Miss Welch nothing memorable to do.

Aubrey Woods plays Abanazar well. The evening's best performance is by Ernest Clark as the Emperor; and with such actors in supporting parts, the rather lightweight playing of Aladdin, by Richard Freeman, and Badr-al-Badur, by Christine McKenna, is emphasised. Mr. Freeman and Miss McKenna get the best songs, romances called "There and then" and "Dream about me," which come too close together in Act One. But there are such strong voices elsewhere (I specially liked Michael Sadler as the Herald), that their more reedy organs do not lift them into the forefront of our sympathies where they should be. Still, at least David Giles, the director, has refrained from putting microphones all over the place.

This must have been a stuggle for him, for it's clear that he, or someone, wanted to turn the show back into a pantomime. A claque somewhere started off some half-hearted hissing and booing at Abanazar. They yelled "Look behind yer!" at suitable moments. There was even an exchange of "Oh yes, you are!" and "Oh no, I'm not!" to get the audience shouting. Nothing wrong with this really, but you can see how hard it must have been for Mr. Giles to ensure that it was "a musical comedy—for children, of course."

Letter from Paris

Vive Offenbach!

BY RONALD CRICHTON

With the Christmas holiday doubtless in mind, Paris blithely jumped the gun for the Offenbach centenary. The blithest of adopted Parisians died in October 1880, four months before *The Tales of Hoffmann* reached the boards of the Opéra-Comique. The celebrations include a revival of the five-year-old Chéreau production of *Hoffmann* at the Opéra and, at the Salle Favart (Opéra-Comique), a new triple bill of one-acters under the general title *Vive Offenbach!*, the whole entertainment produced by Robert Dhéry, designed by Bernard Daydé, conducted by Manuel Rosenthal.

The one-acters are played in reverse chronological order. *Pomme d'api*, a post-war work of 1873, comes from the time when Offenbach's musical invention still flowed copiously but his best subject—the follies of the Second Empire—had been washed away by history. *Pomme d'api* is a gentle domestic incident about a pasquale-like bachelor who chooses his servants for their looks and changes them often. He engages a ravishing creature who turns out to be the estranged mistress of his nephew. After a show of indignation he relents and gives permission (plus dowry) for marriage. The score announces the silver age of Messager and Hahn. The seven numbers include a kitchen trio and a song for the lovesick nephew which by means of an unexpected interval or two skirts sentimentality with cat-like finesse.

Monsieur Choufleuri (1861), was recently given by Welsh National Opera in an English version by Michael Geliot. It is known in Germany as *Salon Pitzelberger*. The pseudonymous libretto, partly the work of Napoleon III's half-brother the Duc de Morny, is a send-up of social and artistic pretensions. Choufleuri, a *bourgeois gentilhomme* up-to-date, gives a party at his Paris house at which the stars Sontag, Rubini and Tamburini are announced to sing. They excuse themselves at the last minute. So Choufleuri's musical daughter, her penniless composer-admirer Babylas and finally the host himself perform an imposture with uproarious parodies of Rossini and Meyerbeer. At the climax Babylas gets his girl by threatening to expose the fraud.

Mesdames de la Halle (1851), the first operetta for which Offenbach was licensed to use more than three characters and a chorus and the first to be given at his new theatre in the Passage Choiseul (the Bouffes-Parisiens, still extant), is a romp about three market-women, a drum-major, a supposedly orphan girl and a tender-hearted scullion. The target here was not the vulgar rich but sentimental dramas about lost babies. Though *Orpheus in the Underworld* was to come later in the same year, the music shows Offenbach in the raw—crude but zestful vitality with bursts of almost savage melancholy surely traceable to the Jewish strains he heard as a child.

Daydé's scaffolding set, gaily hung with different arrangements of posters and decorative lettering and cunningly lit, places the action of all three pieces in the market quarter of Les Halles. The two rowdier scores are admirably suited, *Pomme d'api* rather less well. Dhéry, a producer without axes to grind or lessons to ram home, reacts instinctively and physically to farcical situations. The pace is as fast as for Feydeau or Labiche. At least in the second and third pieces the music can take it.

Manuel Rosenthal (how many years since he arranged an Offenbach ballet, *Gaieté parisienne*, for Massine?) rightly insists on scrupulous orchestral playing. On the first night *Pomme d'api* was sometimes too loud for the singers but the rest was a demonstration of how such music should be handled. There is in France today a distinguished core of singer-actors expert in operetta. Most of them were in this programme (one absentee, Michel Sénéchal, was busy at the Opéra in *Hoffmann*). The invaluable baritone Jean-Philippe Lafont, exuding bonhomous gusto, appeared in every piece. The tenor Charles Burles, another lively performer, doubled composer Babylas and drum-major Raflafla.

The lusty, bickering market-women were played as pantomime dames by a formidable trio of musical droles—Lafont, Michel Hamel and Michel Trempont. The two latter had contributed notably to the fun of *Choufleuri*. Trempont as a Belgian posing as an English butler dressed in a kilt. The lyric tenor Léonard Pezzino, who can act as pleasingly as he sings, was the tearful nephew in *Pomme d'api* and the scullion in *Mesdames de la Halle*. The heroine of *Pomme d'api*, Christiane Issartel, was trim and pretty but a little under-projected. The discovery of the evening, Marie-Christine Porta (as Choufleuri's daughter and as the orphan of the market-stalls), is a peach to look at and good to hear. May she treat her voice with care. One of Dhéry's devices for binding the three works together (one sensed an unnecessary fear that they might not stand up on their own) was a zany lamp-lighter moonily played by Gérard Loussine. A greatly enjoyable evening.

For *Les Contes d'Hoffmann* Chéreau uses a basic set by Richard Peduzzi, a solid yet surreal townscape, half Victorian London (Thames warehouses confronting a slice of Cubitt's Belgravia), half Hoffmann's Germany. Stunning, up to a point. The loss of Venice for the Giulietta episode can be borne (after all, the Barcarolle was originally sung, in an earlier Offenbach work, by Rhine-nixies). That act makes fair sense out of doors. Not so the other two love stories (Chéreau's unusual order is Giulietta-Olympia-Antonia), whose atmosphere bespeaks indoor stuffiness and strange lives tucked away. Peduzzi is an exciting designer, but in spite of outward austerity, a self-indulgent, tyrannical one.

Chéreau goes back beyond the French play on which the libretto was based to the real E. T. A. Hoffmann. Offenbach loved his writings, but what he set was Hoffmann diluted to the taste of the time. There are strong visual images in the production as there are strong visual images in the production as there are strong musical images in the score, but they don't work together. The equation between text and music—always vulnerable to producers from the straight theatre—is fatally disturbed.

Sylvain Cambreling conducts, well except when the producer's disposition of the chorus in the Olympia acts makes good ensemble impossible. Kenneth Riegel is the Hoffmann, a poète maudit no doubt intentionally antipathetic, spoiling some resourceful singing by continual changes of timbre. Tom Krause's triple villain, soundly sung in a way not ideal for the music, looks grubby but unfrightening.

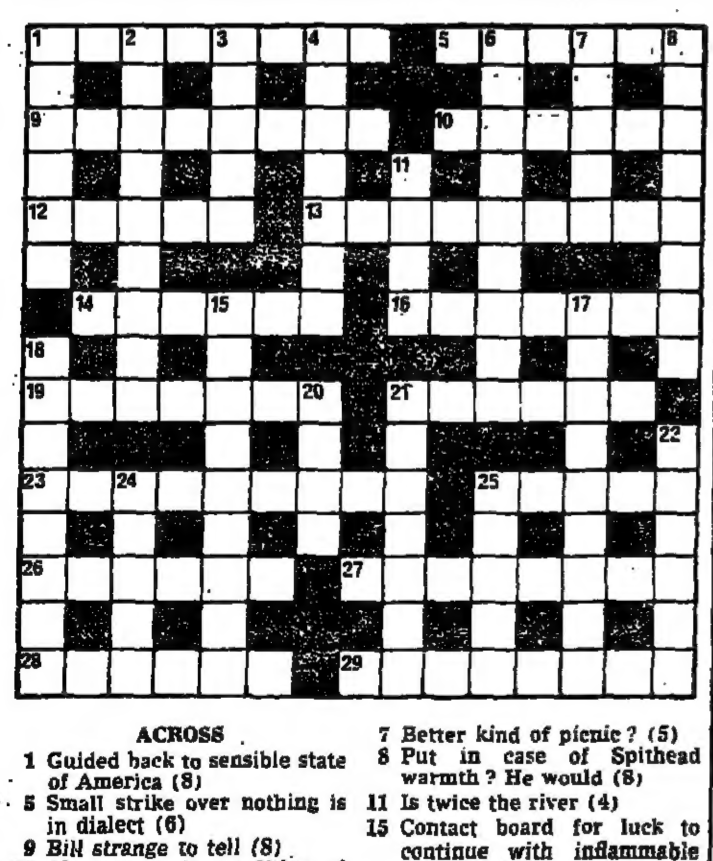
F.T. CROSSWORD PUZZLE No. 4,161

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



ACROSS

1 Guided back to sensible state of America (8)
5 Small strike over nothing is in dialect (6)
9 Bill strange to tell (8)
10 About turn in condition of cast figure (6)
12 Junction on line by way of metaphor (5)
13 Tired of being thwarted by rain (6, 3)
14 Achieve score at Twickenham without any cheer (6)
16 Notice young attendant oozing out (7)
19 Introduction to work of Chopin (7)
21 Cleared up when it was sent back late (6)
23 Disgusting hoe almost shattered (9)
25 Joint going to bishop's head (5)
26 Strange boy is almost certain (4, 2)
27 Measure base control (8)
28 Notice fag gets round diatribe (6)
29 Attack southern family with leather bottle (8)

DOWN

1 Want twisted thread (6)
2 Sweet to drink hard water (9)
3 The pair of us welcome to make cloth (5)
4 Escape by a wide margin (7)
6 Leading a pussyfoot male director to the top (2, 3, 4)
7 Better kind of picnic? (5)
8 Put in case of Spithead warmth? He would (8)
11 Is twice the river (4)
15 Contact board for luck to continue with inflammable material (9)
17 Scots loch came out lost in wonder (9)
18 Explain carefully how charm revealed . . . (5, 3)
20 . . . London landmark concealed by some rose bushes (4)
21 A lot more might have effect on organ (7)
22 Lower the status of the churchman who took me in (6)
24 Article left on the German tree (5)
25 Old Testament encountered about anthem (5)

Solution to Puzzle No. 4,160

The solution of last Saturday's Christmas crossword puzzle will be published with names of winners next Saturday.

TV Radio

† Indicates programme in black and white

BBC 1

9.30 am Multi-Coloured Swap Shop. 12.12 pm Weather.
12.15 Grandstand: Football Focus (12.20), Racing from Newbury (12.50, 1.20, 1.50, 2.20), International Ski-Jumping (1.10, 1.40), International Basketball (2.40, 4.00), Rugby League (3.05, 3.45), Cricket: Australia v. West Indies (3.50). 5.10 Bugs Bunny.
5.35 News.
5.45 Sport/Regional News.
5.50 Dr. Who.
6.15 Jim'll Fix It.
6.50 "The Pride and the Passion," film starring Cary Grant, Frank Sinatra, Sohpia Loren.
9.00 Dallas.
9.50 News.
10.00 Match Of The Day.
11.00 Parkinson.
12.00-12.05 am Weatherman.

All Regions as BBC-1 except at the following times:—

Wales—5.45-5.50 pm Sports News Wales. 12.00 midnight Weatherman: News for Wales.

Scotland—4.55-5.10 pm Scoreboard. 5.45-5.50 Scoreboard. 10.00-11.30 Sportscene and the Seventies. 11.30-12.30 am Parkinson. As BBC-1 11.00 pm.

Northern Ireland—5.00-5.10 pm Scoreboard. 5.45-5.50 Northern Ireland News. 12.00 News for Northern Ireland.

BBC 2

1.20 pm Film: "National Velvet," starring Elizabeth Taylor and Mickey Rooney.
3.20 Play Away.
3.45 "Little Women." Film starring Elizabeth Taylor.
5.45 Cricket: Australia v. West Indies.
6.15 Die Fledermaus, starring Kiri Te Kanawa and Hermann Prey (News at 8.30).
9.40 Spirit of Asia with David Attenborough.
10.00 "Our Town," by Thornton Wilder.
11.45 News.
†11.50 Film: "Five Graves To Cairo."
1.25 am Music At Night.

LONDON

8.40 am Sesame Street. 9.40 The Beachcombers. 10.05 Superman. 10.30 Tiswas.
12.30 pm World of Sport. 12.35 On the Ball. 1.00 International Sports Special. 1.15 News. 1.20 The ITV Seven: 1.30, 2.00, 2.30 and 3.00 from Newcastle, and 1.45, 2.15 and 2.45 from Leicester. 3.10 International Sports Special. 3.50 Half-Time Soccer Round-Up. 4.00 Wrestling. 4.50 Results Service.
5.05 News.
5.15 Happy Days.
5.45 Chips.
6.45 Sale of the Century.
7.15 Search for a Star.
8.00 Murder by Natural Causes (TV film).
9.45 News.
10.00 Gloo Joo: Play.
11.45 Ryder Cup.
1.45 am Christmas Pie.

All IBA regions as London except at the following times:

ANGLIA

9.35 am Play Guitar. 10.05 Kum Kum. 12.40 am A Carol for Christmas-Tide.

ATV

9.10 am Helping Hand. 9.35 Play Guitar II. 10.00 Clue Club. 5.15 pm Mork and Mindy. 5.45 Chopper Squad.

BORDER

9.10 am Helping Hand. 9.35 Play Guitar. 10.00 Solo One. 5.15 pm Tiny Tree. 5.45 Tarzan.

CHANNEL

5.15 pm Puffin's Pla(i)ce. 5.19 Mork and Mindy. 5.50 Survival Special.

GRAMPIAN

9.30 am Sesame Street. 5.15 pm The Solid Gold Top 30. 5.45 Chips. 12.45 am Seachd Laithean. 1.00 Reflections.

GRANADA

9.30 am Helping Hand. 9.55 Larry the Lamb. 10.05 The Lone Ranger Show. 5.15 pm Walt Disney Classics. 5.25 240-Robert. 12.45 am S.W.A.T.

HTV

9.00 am Animated Classics. 10.05 Batman. 5.15 pm Mork and Mindy. HTV Cymru/Wales—As HTV General Service except: 5.05-5.15 News followed by Report Wales Headlines. 5.15-5.45 Pwy Fase'n Meddwl. HTV West—As HTV General Service.

SCOTTISH

8.55 am Dynomutt the Dog Wonder. 9.15 Cyrano de Bergerac. 10.05 Mork and Mindy. 5.15 pm The Solid Gold Top 20. 5.45 The Practice. 6.15 The Allan Stewart Tapes. 11.45 Late Call. 11.50 Soap.

SOUTHERN

8.45 am Play Guitar. 9.10 Sesame Street. 10.00 Regional Weather. 5.45 pm Life and Times of Grizzly Adams. 11.45 Southern News. 12.40 am Weather followed by What A Way To Spend Christmas.

TYNE TEES

9.10 am The Monkees. 9.40 Animated Classics. 10.35 The Man From Atlantis. 5.15 pm The Muppet Show. 12.45 am Epilogue.

ULSTER

10.15 am Larry the Lamb. 10.25 The Herbs. 10.35 Chopper Squad. 11.30 Sesame Street. 5.00 pm Sports Results. 5.15 Mork and Mindy.

WESTWARD

9.20 am Saturday Morning Picture Show: "Daring Game" starring Lloyd Bridges. 10.55 Look and See. 11.00 Untamed World. 11.25 Gus Honeybun's Birthdays. 11.30 Lucan. 12.27 pm Westward News. 5.15 Westward News and Sports Results. 5.19 Mork and Mindy. 5.50 Survival Special. 12.40 am Faith for Life. 12.45 West Country weather and shipping forecast.

YORKSHIRE

9.00 am Cartoon. 9.10 Spiderman. 9.30 Logan's Run.

RADIO 1

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Ed Stewart with Junior Choice. 10.00 Tony Blackburn. 1.00 Adrian Juste (S). 2.00 The USA Top 30 of 1979 (S). 4.00 Rock On (S). 5.30 It's Rock 'n' Roll (S). 6.31 In Concert (S). 7.30 Peter Powell. 10.00 Al Matthews. 12.00-6.00 am As Radio 2.

RADIO 2

5.00 am News. 5.02 Cricket: Australia v West Indies: report. 5.03 Paddy O'Byrne (S) including 6.02, 7.03, 8.03 Cricket; 8.04 Racing Bulletin. 8.07 David Jacobs (S). 10.02 Kevin Morrison (S). 12.02 pm Roy Hudd (S). 1.02 Stop The World. 1.30-6.00 Sport On 2: Football Special (1.30, 2.15, 2.45, 3.00, 3.20, 3.45, 3.50, 4.40, 5.00, 5.45); 5.00, 5.45 classified scores. Racing, Newbury (1.30, 1.55, 2.25, 4.50, 5.45). Test Cricket (1.30, 2.20, 5.30). Rugby Union (1.20, 2.03, 2.35, 3.05, 3.25, 3.40, 4.50, 5.25). Sports Report (5.00). 6.03 Hits of Europe 79. 7.02 Beat the Record. 7.30 A Review of the Year's Radio 2 Top Tunes (S). 8.30 Semprini Serenade (S). 9.30 Big Band Special (S). 10.02 Hilversum Greets Radio 2. 11.02 Sports Desk. 11.10 Ray Moore with The Late Show, including 12.00 Midnight Newsroom; Weather; motoring information. 1.02, 2.02 Cricket: Australia v West Indies: report. 2.03-6.00 am You and the Night and the Music (S) with Bill Rennells, including 3.02, 4.02, 5.02 Cricket.

RADIO 3

8.00 am Test Match Special. 7.05 Aubade Concert, part 1: Suppé, Johann Strauss, Josef Strauss, Hummel, Lehar, Komzak: records (S). 7.55 Weather. 8.00 News. 8.05 Aubade, part 2: Herold, Satie, Horowitz, Villa-Lobos (S), Khachaturian (mono): records. 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Alfred Brendel piano recital, part 1: Liszt, Schoenberg, Liszt (S). 2.00 Interval Reading. 2.10 Recital, part 2: Busoni, Brahms. 3.00 Handel Trio-Sonatas (S). 3.30 Beethoven Mass in D major (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.45 Piano Duo recital: Clementi, Britten, Gallant (S). 7.30 Berlin Philharmonic Orchestra concert, part 1: Bach, Berg (S). 8.05 Dominus (S). 8.30 Berlin Philharmonic Orchestra (S). 9.15 Portrait of poet and translator Arthur Waley. 10.15 Schubert's Rellstab Songs (S). 10.50 Shostakovich Chamber Music (S). 11.55 News. 12.00-2.00 am Test Match Special.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather. 8.00 News. 8.10 Sport on 4. 8.40 Today's Papers. 8.45 Cost of True Love. 8.55 A Party Political Broadcast by the Liberal Party. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 Talking Politics Christmas Quiz. 10.30 Daily Service. 10.45 Pick of the Week (S). 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 The Burkiss Way (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Saturday-Afternoon Theatre (S). 3.30 Does He Take Sugar? 4.00 News. 4.02 Have You Seen The Dragon (S). 4.30 Time for Verse. 4.40 A Passage To India: 1778. 5.25 Aspects of the Fringe (S). 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs. 6.55 With Great Pleasure (S). 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Kaleidoscope Quiz. 11.00 Lighten Our Darkness. 11.15 The Philip Jones Brass Ensemble (S). 11.45 Just Before Midnight. Play (S). 12.00 News. 12.15 am-12.23 Shipping forecast: Inshore forecast.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News. 8.15 Weekend What's On. 8.30 London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-6.00 am Join Radio 2.

London Broadcasting

7.00 am AM. 10.00 Jellybone. 1.00 pm Sportswatch. 6.00 The London Interview. 7.00 Geet Mala. 8.00 Monty at Large. 9.00 London Rules. 9.30 Hugh and You. 10.00 Nightline. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (S). 12.00 B. A. Robertson (S). 3.00 pm Duncan Johnson's Afternoon Delight (S). 5.00 Greg Cowards's Soul Spectrum (S). 8.00 Roots Rockers with David Rodigan (S). 9.00 Nicky Home's Six of the Best (S). 12.00 Mike Allen's After Midnight (S). 4.00 am The Collection (Classical Music) (S).

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	200kHz/1500m & 92.95vhf
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	1215kHz/247m & 90-92.5vhf stereo

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

CHESS SOLUTIONS

Solution to Position No. 300

White. The game ended 1 . . . PxP; 2 BxP ch, KxB (better K-K2); 3 QxQ, PxP dis ch; 4 K-K2, PxR=Q; 5 N-N5 ch, K-N3; 6 Q-K8 ch, K-R3; 7 N-K6 dis ch, P-N4; 8 BxP mate.

Solution to Problem No. 300

1 Q-QN2 (waiting), KxB dis ch; 2 N-B5, or if BxQ; 2 N-Q5, or if PxN (or PxP); 2 Q-Q4, or if P-B6; 2 QxB.

هكذامن الكحل

LEISURE

Travelling memories are made of this

COLLECTING

JANET MARSH




IF YOU are still feeling bruised from holiday travel, you might well appreciate the Going Places Exhibition presented at the Science Museum by the Ephemera Society. The display is a mosaic of little scraps of printed paper, detritus of long-ago journeys, but adding up to a lively evocation of the pleasures and problems of several centuries of travel.

Toll and turnpike tickets, excise stamps for horses and coach receipts recall the earlier development of the highways. Bills of lading, baggage tags, sailing cards and broadsides are *fragmentary memorials* of Britain's days as a great maritime trading power.

The railways age ushers in a new excitement. The Stockton and Darlington Railway announces, in 1838, a new Railway Coach linking St Helen's, Auckland and Shildon, the whole trip costing 6d inside or 3d outside—a saving that was probably considered worth the penalty of smut-covered faces. From twenty years or so later (it is a shortcoming in the exhibition that nothing is labelled or dated) there is a Railway ABC for children. K is for the Key with which the guard—to the grave risk of passengers' lives, one might suppose—locks the carriage doors on the journey; S is for Steam; and Q, loyally and naturally, is for the Queen, *pictured gamely boarding* a train at Paddington.

*Among the tickets and time*tables there is a parcel label, elegantly and boldly printed "To be delivered to His Grace the Duke of Wellington's SERVANT at Paddington Station." The bold letters vividly reveal what *deference was* due even to the SERVANT of so eminent a Britisher.

The Thomas Cook Group has dug out of its archives literature relating to its pioneer excursions, already an institution in the 1860s (*there is even* the sheet music of a "Cooks' Excursion Gallop"). By 1908 Cooks could offer for travellers bold enough to undertake the journey in those pre-jet days, a Mid-Winter Excursion to Victoria Falls. *It's a surprise* too to find Cooks issuing travellers' cheques as early as the turn of the century. The difference was that in those days they could confidently print upon them stable exchange rates for every *currency in Europe.*

Alongside the major forms of public transport more independent means of travel develop—pedestrianism, ballooning ("Grand Ascent of Mrs. Graham, the only Female Aeronaute"), and above all bicycling, which produced a vast ephemeral literature in late Victorian days. A sign reading baldly "No Rickshaw Parking" now seems hardly more exotic and remote than a leaflet on courtesy issued by London Passenger Transport Board to its employees, some time in the thirties: "Breakdowns may occur and passengers become disgruntled; perhaps it's because they become accustomed to an efficiently running service that the breakdown is more apparent. Try to understand their point of view—they are only human . . . Never get the idea that we can get along without the public. If we start neglecting them, we shall get a bad name. Our passengers rely on us to give them good service, and—consider the problem—we alone can give it."

Documents of wartime travel include kindly advice from the old LPTB: "Please do not leave *your gas mask on the bus." The Times* sends an anxious, motherly telegram to its correspondent covering the 1956 Hungarian Uprising: "Hungary visit agreed but we most anxious you not repeat not risk being trapped by *Russian* advance, therefore try return to file same evening."

The Exhibition, which requires *a lot of concentration and ferret*ing among its 900 or so exhibits, has been made up from the collections of members of the Ephemera Society, and is ulteriorly aimed to further the aims of the Society: "The study and conservation of ephemera, 'the transient minor documents of everyday life,' has become the subject of mounting interest . . . *Formerly neglected—and for the* most part summarily destroyed, these items are today recognised as valuable social-history source material."

It is the opening event of what the society has boldly and unilaterally declared as "World Ephemera Year." Participating bodies include most of the major British museums and *libraries, and various events* will culminate in the First World Ephemera Congress, to be held in London in September. The event is sponsored by Sotheby Parke Bernet, who will be holding an evening sale *of ephemera during the week* of the Congress.

The Congress will provide a forum for the world's ephemerists, both inside and outside the society's membership. Discussion topics will include information interchange, educational and research techniques, conservation and filing methods, cataloguing standards—and a broad range of topics brought to the fore by the worldwide *rise of interest in* ephemera as documents of *social-history record and research."*

The event *indicates* the degree of systematisation that *has overcome a field of collect*ing which till recently was the preserve of the lone obsessive with a taste for old bus tickets, bill heads, advertising leaflets, picture postcards and the like. The Ephemera Society (address: *12, Fitzroy Square, London W1P 5HQ*) holds bi-monthly ephemera fairs; and most Sundays now you can find a post-card sale, a movie or theatre jumble or some other lesser ephemera event in London.

Zongalero to win

IF EVER a horse deserved to win a worthwhile steeplechase, it is Zongalero, and if really does look as though his chance *of doing so has come in the* Mandarin Handicap Chase (2.0) at Newbury this afternoon.

In the Hennessy Cognac Gold Cup, run over today's course and distance on Nov. 24, Mr. David Montague's nine-year-old Zongalero looked like the winner coming to the final fence but failed to cope with the sustained challenge of last year's Scottish Grand National winner, Fighting Fit.

The obvious danger to Zongalero today is Chumson, who was brought down in the *Coral Welsh Grand National* at Chepstow last Saturday and who, on his previous outing, was runner-up to Jack Madness over three miles and one furlong at Cheltenham.

RACING

DARE WIGAN

hurdler, has had two runs over fences this season. In the second at Huntingdon, on November 27, he fell badly after having started at odds of 5—2 on. He reverts to the minor obstacles in the *L'Oreal Handi*cap Hurdle (2.30) and is in with what appears to be a good

Dulwich, at the age of 12, retains his zest for racing and will go well in the Old Year Handicap Chase (2.30), though *I am doubtful about his ability* to cope with Dyscole, who will appreciate soft ground.

A line taken through Artifice suggests there will be little between the two.

Unless there is a newcomer *of exceptional merit in the field*, the finish of the Panama Cigar Hurdle Qualifier (1.00) appears to lie between Lumen and Wayward Lad. Of the two my preference is for Wayward Lad, who demonstrated his ability to handle testing conditions when scoring over 2½ miles in heavy *ground at Nottingham a fort*night ago.

At Newcastle, Commander Bond, another who is suited to soft ground, can make a hat trick of wins by landing the Partridge Novices Hurdle (12.30).

NEWBURY
1.00—Wayward Lad*
1.30—Spring Frolic
2.00—Zongalero**
2.30—Dyscole
3.00—Emission Control
NEWCASTLE
12.30—Commander Bond
1.30—Three to One***
2.30—Mr. Snow

The battle of the plastic pot

GARDENING

ARTHUR HELLYER

ONE OF the big technical changes in gardening during the past 25 years has been the *almost complete replacement of* earthenware by plastic flower pots. When plastic pots first appeared there was considerable resistance to them, many gardeners being firmly convinced that plants would not *grow well in plastic*. It was the commercial growers who were the first to make the change in a big way, attracted by the durability of plastic pots, their lightness and the ease with which they could be kept clean. They also have a good appearance in the florist *shops and garden centres* in which most pot plants are sold and their price is competitive.

Yet doubts about the congeniality of plastic for plant roots have continued right up to the present day and show no *signs of declining. Plastic*, the critics say, does not breathe and so does not help the soil within it to remain sweet as it would inside earthenware. Nor does it absorb water, or the plant foods that the water *may contain, and it is certainly* obvious that roots do not seek out plastic in the way they seek and cling to the sides of clay pots.

I do not think there is any scientific evidence that any of *this matters but then so little* of traditional garden technology has been convincingly investigated in a scientific manner that it is easy to cry "false" when one really means "not proven," or even more disconcertingly that no one has ever seriously tried to find out.

I know that many gardeners remain completely unconvinced about the merits of plastic pots. They are not just the cranks who always object to innovation but are expert growers often specialising in *plants that are not easy to* manage. They include nearly all rock plant enthusiasts and this is not surprising for well baked clay must surely make a much better substitute for porous limestone or sandstone *than impervious plastic*.

There is a demand for clay pots and pans for choice Alpines and many other rather difficult plants, although whether it is sufficient to interest any big manufacturer is doubtful. It is the kind of enterprise which, in this age of advanced technology and big business, needs to be taken up by some quite *tiny firm using traditional* methods and able to switch easily from one product to another. I was talking a few days ago to one such potter who told me that, when she exhibited ornamental earthenware pots at a Royal *Horticultural* show earlier this year, she was immediately asked by an Alpine Garden Society official why she was not also showing pots and pans specially made for rock plants. When she has time she *intends to test that market*. Hand made and in small quantities the pans will certainly not be cheap but my guess is that she will find a ready sale for every one she makes.

When in Italy some time ago *visiting the flower growers* in the fertile, well watered Apen*nine valley around* Pescia, I was taken to a remarkable nursery where the crop was not cut flowers but house plants. Every popular kind appeared to be there: *cyclamens, begonias, poinsettias, primulas, saintpaulias, crotons, pineapples, monsteras, philodendrons*, and *scindapsus*, along with palms, ferns of many kinds, even the humble ivy in some of its many highly decorative garden varieties. The scale of production was impressive, the quality high and nearly all the plants were destined for the profitable markets of Switzerland, West Germany and France. But what struck me as most remarkable was that every plant, large or small, was growing in an earthenware pot.

They were beautiful pots too, which is more than can be said for any mass produced plastic pot, thick and sturdy with a well bulged *rim for extra strength*. One had only to pick up an empty pot to realise how much it was adding to the weight of the finished product, and presumably to the cost of transporting it to market, but clearly the *Italian, Swiss, German* and French housewives were prepared to pay a little extra for top quality plants growing in pots that were a craftsman's delight.

My companions, plant buyers among them, discussed the possibility of importing such *plants to Britain but decided* that the problems and expense of transport made it commercially impracticable. I wondered at the time whether they were right, and I still do.

One frequent objection to clay pots is that they are not suitable for capillary bench watering which is now used by most commercial producers of pot plants and, *thanks largely to the intro*duction of clean, durable and inexpensive plastic matting, is rapidly gaining favour with amateurs. It is perfectly true that the thick earthenware in the base of the pot prevents the *soil inside coming directly in* contact with the moist matting or sand as it does very easily when thin plastic pots are used. However, there is a simple answer to this difficulty. A small strip of glass wool pushed half way through the drainage hole in the bottom of a pot makes an effective wick to draw up moisture from the bench. The *wicks can be cut cheaply* and easily from a roll of the glass wool insulation sold for lagging water pipes and the cost is negligible.

From a practical point of view clay pots have one undenied *advantage over plastic pots*. Provided they are sound and not cracked one can tell by rapping them whether the soil inside is dry or wet. If wet the pot will respond with a dull thud, if dry it will almost ring—*the difference is unmistakable*. Of course manufacturers of *plastic pots will retort that one* can get a more accurate measurement of soil moisture just as easily by using one of the electric probes now marketed for the purpose.

No doubt they are right yet I do not see many probes in use although I used to see a lot of cotton reels impaled on sticks for use as moisture gauging "*hammers*." *Maybe gardeners* are perversely conservative but I suspect there is more to it than that. It is more fun to test one's skill by listening to the response of a pot to a rap than it is to stick in a probe and read a dial. Science can take some of the craftsmanship out of garden*ing and I daresay it is fellow*-feeling with other craftsmen that makes so many good gardeners prefer clay to plastic pots.

CHESS

LEONARD BARDEN

WHEN SHOULD one resign a *game that seems* lost with correct play on both sides? This is a perpetual problem at all levels of chess. Larsen has the witty comment that good players resign too early, weaker players too late.

The logical reason for this difference of attitude is that at the lower levels it may be worthwhile continuing play when one has doubts about the ability of the opponent to cope with the technique of winning a pawn or *even a piece up. Moreover*, some players who can build a position up well sometimes lose patience in face of stubborn resistance from an opponent who keeps on finding resources and half-chances.

At the higher levels of match and tournament chess it is rare for resignation to be delayed when a player realises he is technically lost. One reason for dragging out the game in such circumstances is when a master *is reluctant to provide a publish*able defeat and prefers to hang out for 30 or 40 moves rather than figure in the anthologies *of miniatures*.

Most good players know the psychology of lost positions and when an opponent refuses to resign they take care to find a series of accurate moves. It is normally only the inexperienced player who commits the psychological error of becoming exasperated at a tardy resigner and makes quick superficial moves which may jeopardise the *full point*.

Different considerations apply in team chess and in games where the clock control is approaching. In team matches a player may well not resign a hopeless game as adjudication time approaches. The reason is that at the end of the match *there is often some hasty horse*-trading between the two camps instead of writing out and checking diagrams for impartial assessment. Even very poor positions acquire a certain break-up value *during negotiations on the lines* of "We'll resign these two if you'll agree a draw in that game where your man is a little better."

In quick-play finishes and in time scrambles there are *grounds for going on if a player* has to get right down to mate with less than a minute left on the clock.

A classic example occurred at the 1973 interzonal between Reshevsky and Savon. The position just before the time control was, in Forsyth notation: 6R1/4bQ2/1p4pk/1pqP3p/6P1/5B2/5PKP/8.

The notation, incidentally a useful form of chess shorthand, starts with the top row and six empty squares, a white rook, and another empty square, continues on the next rank with four empty squares, a black bishop, a white queen, two empty squares, and so on.

Black's position is completely hopeless, but both flags were about to fall and Savon waited. Reshevsky played 1 QxNP, announced "Mate!" then recoiled *in horror as* Savon took the queen. The blunder demonstrated the maxim that diagonal retreats are the easiest moves to overlook. White in fact *had a simple mate in three* which readers may like to find.

In postal *chess there are* many cases of a special type of non-resignation called the "silent withdrawal." The player simply ceases to answer letters *from opponent and organiser*.

A curious game on the resignation theme occurred between two future grandmasters in the preliminaries of the 1929 USSR Championship.

White: V. Ragozin. *Black:* M. M. Botvinnik. *Opening:* Queen's Pawn, Torre Attack.

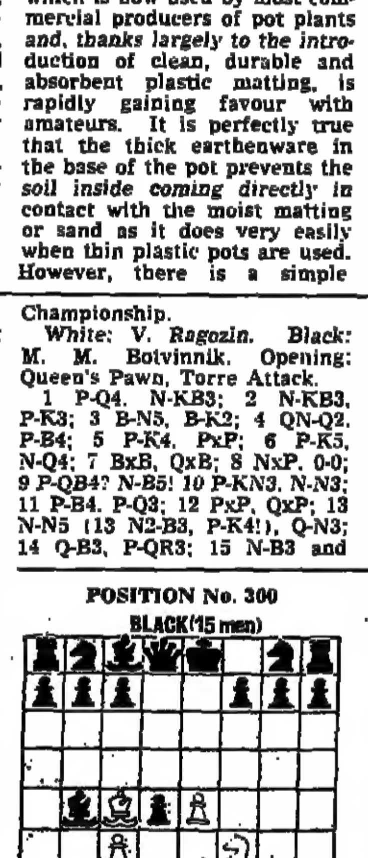
1 P-Q4, N-KB3; 2 N-KB3, P-K3; 3 B-N5, B-K2; 4 QN-Q2, P-B4; 5 P-K4, PxP; 6 P-K5, N-Q4; 7 BxB, QxB; 8 NxP, 0-0; 9 P-QB4? N-B5! 10 P-KN3, N-N3; 11 P-B4, P-Q3; 12 PxP, QxP; 13 N-N5 (13 N2-B3, P-K4!), Q-N3; 14 Q-B3, P-QR3; 15 N-B3 and White resigned without waiting *for a reply*.

Premature? Not really. Snatching the QNP is unclear, but 15 . . . B-Q2 is very strong, e.g. 16 B-N2, B-B3; 17 Q-K2, QxP attacking two pieces, or 16 N3-K4, P-KB4. However, respect *and admiration for the opponent* also played a part. Ragozin was Botvinnik's second and adviser in many subsequent events.

Tatai had prepared what he considered a strong counter. Who saw further?

POSITION No. 300

BLACK (15 men)

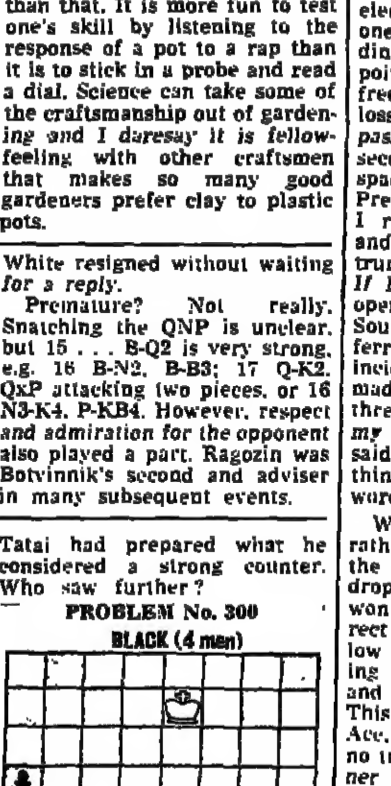


WHITE (14 men)

Tatai v. Mariotti. 1975. Both players aimed for this position *in a match game between* Italy's two leading masters. Mariotti (Black, to move) thought that 1 . . . PxP gave him a safe extra pawn, while

PROBLEM No. 300

BLACK (4 men)



WHITE (7 men)

White mates in two moves, *against any defence* (by Bram Hirst, Dunstable).

Solutions, Page 8

GOLF

BEN WRIGHT

Risks in higher costs

WHAT IS in the future for golf in the 1980s? One thing is certain. It can only get more expensive, a potentially disastrous *prospect for the amateur game*, since it could easily once again *become the hallowed preserve* of the rich. How awful it would be if the majority of golf clubs in Britain became exclusive country clubs like those in America and more particularly in Japan: huge annual subscriptions only affordable by businessmen with generous expense accounts traded between them at a premium. Monthly accounts are often levied by dividing the club's expenses by the number of members, so each one is charged the average *whether or not he has spent the* sum thus arrived at in the club. Certainly such developments are entirely possible, if not thankfully immediately probable.

The redeeming feature of the American system is that to redress the *balance* youth is given every possible encouragement, an area in which British golf is still only in its infancy. While I am not an advocate of the iniquitous American college golf scholarship system that makes a mockery of admittedly outdated amateurism, it would *be so much better for our inter*national aspirations if British youth was encouraged in a really efficient manner. We neither start early enough, nor do we do half enough to be selective, and pick out the really promising youngsters for advanced, concentrated coaching and *more importantly*, encouragement.

While on the subject of *inter*national aspirations I hope we come to our senses in the '80s and change the format of both the Walker and Ryder Cup matches to put into the field against the U.S. teams representing the Rest of the World. Only then will these pitifully *one-sided biennial contests* become less than a continuing *embarrassment, and force the* Americans to fight to the death to defend both trophies.

If the purists and traditionalists *with their heads forever* hidden in the sand object to such logic, then let us institute such realistic and meaningful matches every now and again for new trophies, taking the contests around the world before the Americans grow weary of perennially winning the existing *series, both professional and* amateur. Of course, no American sportsman I have ever met has yet become tired of winning. Unlike the two members of the 1979 European Ryder Cup team who have since *been punished*, every American golfer I have met is utterly thrilled in the most touching way to represent his country. It is seen as a welcome respite from the intensely selfish business of trying to grind out a living in golf's super league.

Will Jack Nicklaus ever win another major title, or at least sufficiently revive the memories *of past glories before retiring* gracefully? That is perhaps the most intriguing question for the golf watcher in 1980. For those in Britain who like and respect Peter Oosterhuis as much as I do, the question will again be asked of his ability to win just one American tournament. *If and when it happens no one* will be cheering louder than this observer.

Will Severiano Ballesteros fizzle out as meteorically as he arrived? Can Tony Jacklin and Johnny Miller continue their comebacks from oblivion? Will Tom Watson take over Nicklaus's crown *with real authority*, or has the era in which a single golfer has completely *dominated* the world become a thing of the *past because of the intensity of* the competition? We shall see all these fascinating questions answered, and many more besides in a decade that threatens to become a crucial one in the game's development.

Who will be the new stars? In Europe Germany's Bernhard Langer is an *obvious possibility* who could make the game at last take off in his native land, as the successes of Ballesteros and company eventually will for more than wealthy foreign tourists in Spain. Every country in Europe plainly needs its idol to emerge if golf is ever *to reach ordinary people*, and its enormous cost on the Continent weighs heavily against such an interesting eventuality.

Tom Watson

One can only hope that Sandy Lyle and a few more of our more ambitious youngsters will eventually try their luck in the American super league, hopefully *in a loosely knit squad* travelling together to ward off the loneliness of the long distance golfer I appreciate only too well. More than anything else it was this loneliness and all the unhappiness it can *bring to the foreigner unable to* adapt to the American way of life that destroyed Jacklin's fine edge and enthusiasm—among other Britons.

One can only hope that the *1980s will produce on either side* of the Atlantic a sub-editor of consummate skills and application who will re-write the Rules of Golf, cutting them to the necessary bare bones. The ruling bodies would never settle *for my version, which is a mere* paragraph stating the golfball can only be touched without penalty when it is teed up and picked out of the hole. Otherwise the penalty would be one stroke. Out of bounds would be outside the boundaries of the golf course only. End of rule book — play away gentlemen.

Lastly a postscript would state that "croquet" style putting would be legal, to further the enjoyment of senior citizens or youthful neurotics. Wooden clubs would have to have wooden heads. Golfballs *would be those already* approved on both sides of the *Atlantic, with the larger* American size mandatory in worldwide professional competitions. They could be replaced at only one time—when holed out. Mud adhering to a ball would be classified as a rub of the green—or your bad luck. If a ball was cut—too bad—the player *himself* inflicted the wound, so let him get on with it—grin and bear it. Slow play might even become a thing of the past. Some hope.

But may all your bogeys become birdies, or better, and the best of luck to all golfers *in 1980 and beyond, with the* rider added that I hope you will never need it.

BRIDGE

E. P. C. COTTER

TO END this year of grace in somewhat lighter vein, let me tell you about a couple of hands of recent vintage, both of which *could be filed under Believe It* Or Not. Let us get the pain *over first:*

N
♠ 8
♡ A 9 7 6
♢ Q 9 5 2
♣ A K 8 2

W
♠ Q 9 3
♡ J 8 3
♢ A J
♣ J 10 7 4 3

E
♠ K J 10 6 2
♡ Q 5 2
♢ 10 7 4 3
♣ 9

S
♠ A 7 5 4
♡ K 10 4
♢ K 8 6
♣ Q 6 5

We were competing in a duplicate pairs event when my partner in the South seat dealt *with both sides vulnerable*, and elected to open the bidding with one spade. To open the bidding on a balanced hand of 12 points with poor "undergrowth" frequently results in unecessary loss—I have no hesitation in *passing such a hand in first* and second positions—but to bid one spade violates the Principle of Preparedness. Over one spade I replied with two diamonds, and now South rebid two no trumps—from frying-pan to fire. *If I had been rash enough to* open with one spade on the South cards, I would have preferred a rebid of two hearts—incidentally four hearts can be made. As it was, I raised to three no trumps, and as I put *my hand down on the table*, I said: "I think I've a little something to spare"—famous last words!

West led the club Knave—rather extravagant without even the eight in his hand—East dropped the nine, and declarer won with the Queen. The correct *continuation* is surely a low diamond to the Queen, hoping to find the Ace with West, and then duck a heart return. This strikes oil with West's Ace, Knave alone, and now three no trumps rolls home. *My partner went down, without even* finessing the eight of clubs. That hurt.

And now for the pleasure. This time I was playing rubber bridge with my favourite partner against a pair who were, as you will see, very weak:

N
♠ 9 3
♡ J 8 4 3
♢ A Q 7 5
♣ J 8 4

W
♠ Q 7 6 5
♡ K 9 7 2
♢ 6
♣ Q 9 7 6

E
♠ A 10 8 2
♡ Q 10 5
♢ 9 4 3
♣ K 10 2

S
♠ K J 4
♡ A 6
♢ K J 10 8 2
♣ A 5 3

We were vulnerable when my partner, South, dealt and opened the bidding with one no trump. I tried a Stayman two clubs, and after the two diamond response *said two no trumps*. South should really pass at this *point, for his minimum open*ing is not helped by the presence of two Knaves, and is only redeemed by the five-card diamond suit. However, knowing the market, my partner pushed on to three no trumps.

West led the heart two, and East's ten was taken by the Ace. Hoping that the opponents might make some helpful return, *the declarer decided* to throw the lead, and played back *the six of hearts. West produced* the seven, dummy played the *eight—and it held the trick!* Four diamonds were now cashed, on which West threw a club and two spades, and East discarded a spade. With the lead on the table, South led the three of spades. East went smartly up with his Ace, cashed the Queen of hearts, and led the *two of clubs*.

With his contract in sight, the *declarer took his Ace, cashed* his remaining diamond and continued with the *spade King*. The fall of West's Queen gave him an overtrick.

There are more things in heaven and earth . . .

ENTERTAINMENT GUIDE

THEATRES

ST. MARTIN'S. Credit Cards. 836 1443. Evgs. 8.00. Tues. 2.45. Sats. 5.00 and 8.00. AGATHA CHRISTIE'S THE MOUSETRAP. WORLD'S LONGEST-EVER RUN. 28th YEAR.

SAVOY THEATRE. 01-836 8888. Credit cards 01-734 4772. LESLIE PHILLIPS, JUNE WHITFIELD, SYLVIA SYMS and ANDREW SACHS NOT NOW DARLING. Mon.-Thurs. 8.00. Fri. and Sat. 5.45 and 8.45. Reduced price mats. on Fridays from Jan. 4. Group bookings 01-437 3856.

SHAFTESBURY. CC. 01-836 6596-7. Mons. Sats. 2.00 p.m. and 6.45 p.m. GAYLE HUNNICUT, JAMES VILLIERS in J. M. Barrie's PETER PAN. Seat prices £1.00 to £6.00. 01-379 6200. Hotline 10 a.m. to 10 p.m. including Sunday. TILL JAN. 12. ONLY. BOOK NOW.

STRAND. 01-836 2660. Evening 8.00. Mat. Thurs. 3.00 Sat. 5.30 and 8.30. LONGEST-RUNNING COMEDY IN THE WORLD. NO SEX PLEASE—WE'RE BRITISH. Directed by Allan Davis. GOOD SEATS AVAILABLE £2.50 to £5.50. Credit Cards 01-836 4143. Group sales 379 6061 or Freephone 2381.

STRATFORD-UPON-AVON. Royal Shakespeare Theatre (0789) 292271. Tickets immediately available for RSC in OTHELLO today (mat). Jan 1, 3. THE MERRY WIVES OF WINDSOR tonight, Dec 31, Jan 12. JULIUS CASEAR Jan 2, 4, 5 (mat). TWELFTH NIGHT Jan 3 (mat), 5, 11. Recorded booking info (0789) 292271.

TALK OF THE TOWN. CC. 01-734 5051. AIR CONDITIONING, CREDIT CARDS. CELEBRATING 21 YEARS. From 8.00. Dining and Dancing. 9.30 SUPER REVUE, BUBBLY. At 11.00 VINCE HILL.

VAUDEVILLE. 01-836 9988. Evgs. 8.00. Sat. 5.30 and 8.30. Wed. Mat. 2.45. ALAN BATES in STAGE STRUCK. A new thriller by Simon Gray. Book Now.

VICTORIA PALACE. CC. 01-828 4735-6. 01-834 1317. Evgs. 7.30. Mats. Wed. and Sat. 2.45. ANNIE. Group Sales Box Office 01-379 6061 or Freephone 2381. This week at 2.45 and 7.30.

WAREHOUSE. Donmar Theatre. Covent Garden. Box Office 836 6808. S. Royal Shakespeare Company. No perf ton't. Mon 7.30 and all week. MUCH ADO ABOUT NOTHING. All seats £2.10. Students £1.10. Adv bkgs Aldwych.

WEMBLEY ARENA. 01-902 1234. Entirely new prodn. of the lavish HOLIDAY ON ICE. Until Jan. 3 twice daily 2.30 & 6.30 (Sun. 3.00 & 6.30). Jan. 4 at 6.30. From Jan. 5: Tue. to Fri. 7.45. Mat. Wed. 3. Sats. 2, 5 & 8. Suns. 3 & 6.30 (No perf. Mon.). Still time to book for holiday perfs. Children & Senior Cits. half price. (01-902 1234). Pay at doors. Ample parking.

WESTMINSTER. CC. S. 834 0283. Wkdys. 3.00 & 8.00. Sat. 2.30 & 5.30. The Musical Theatre Company in JOSEPH AND THE AMAZING TECHNICOLOR DREAMCOAT by Tim Rice and Andrew Lloyd Webber. Starring Paul Jones. Nov. 1-Jan. 19 ONLY. Group sales 01-379 6061.

WHITEHALL. CC. 01-930 6692-7765. Mon. to Thurs. 8.00. Fri. and Sat. 6.10 and 8.50. IPI TOMBI. FIFTH GREAT YEAR. Reduced rate group bookings. 734 2293.

WINDMILL. CC. 01-437 6312. Twice nightly at 8.00 and 10.00. Suns. 6.00 and 8.00. Paul Raymond presents RIP OFF. The erotic experience of the modern era. Fourth great year.

WYNDHAMS. From 9 a.m. 836 3028. CC 379 6565. Evgs. 8.00 Wed. Mat. 3.00. Sats. 6.30 and 8.30 HALF-PRICE PERFS. Mon. 8.00. Wed. 3.00. Alec McGowan, Penelope Wilton in TISHOO.

YOUNG VIC. 928 6363. Ton't 7.30. THE HUNCHBACK OF NOTRE DAME.

CINEMAS

ABC 1 & 2, SHAFTESBURY AVE. 836 8861. Sep. perfs. ALL SEATS BKBLE. 1: APOCALYPSE NOW (X). Wk. & Sun. 1.15, 4.30, 7.55. Late show tonight 11.00. 2: APOCALYPSE NOW (X). Wk. & Sun. 2.15, 7.20.

CLASSIC 1, 2, 3, Haymarket (Piccadilly Circus Tube). 01-839 1527. 1: Anthony Quinn CARAVANS (A). Progs 12.50, 3.00, 5.30, 8.05. 2: Peter O'Toole ZULU DAWN (A). Progs 1.05, 3.15, 5.40, 8.05. 3: Sean Connery METEOR (A). Progs 1.00, 2.50, 5.25, 8.00.

CLASSIC POLY, OXFORD CIRCUS (Upper Regent Street). 637 9863. Burt Lancaster ZULU DAWN (A). Progs. 2.40, 5.15, 7.55.

CLASSIC 1, 2, 3, 4, 5, Oxford St., 01-636 0310 (opp. Tottenham Court Rd. Tube). 1: Anthony Quinn CARAVANS (A) Progs 2.00, 5.00, 8.00. 2: METEOR (A) Progs. 1.30, 3.45, 6.00, 8.15. 3: Woody Allen MANHATTAN (AA). Progs. 12.50, 2.50, 4.50, 6.50, 8.50. 4: J. R. R. Tolkien's THE LORD OF THE RINGS (A) Progs 1.00, 3.25, 5.55, 8.25. 5: LOVE AT FIRST BITE (AA). Sep. perfs. Doors open 2.00, 5.00, 8.00.

CLASSIC, Leicester Square. 930 6915. GOLDEN LADY (X). FLESH GORDON (X). Progs. 12.50, 2.25, 4.05, 7.20.

CURZON, Curzon Street, W1. 499 3737. LEE REMICK in THE EUROPEANS (U). Progs. 2.00 (not Sun.), 4.00, 6.20, 8.40.

ODEON, HAYMARKET (930 2738/2771). RICH KIDS (AA). Sep. perfs. Wks. 2.15, 5.20, 8.15. Sun. 4.30, 7.45.

ODEON LEICESTER SQUARE (930 6111). THE BLACK HOLE (A) Sep. progs. Dly. Drs. Open 1.15, 4.30, 7.45. Special Sat. Morning Show 10.00 am. Late Night Show Thurs., Fri., Sat. Drs. Open 11.15 pm. All seats bookable at Box Office or by Post. Except Sat. morning show 10.00 am.

ODEON, MARBLE ARCH W2. 723 2011-2. YANKS (AA). Sep. perfs. Sun.-Fri. Drs open 3.15, 7.00. Sat. Drs. open 1.00, 4.15, 7.40. Late Night Show Sat. 11.15 pm. Evening perf. and Weekends bookable in advance.

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STUDIO 1 & 4, Oxford Circus. 437 3300. Lic'd Bar. 1: THE DEER HUNTER (X). 12.45, 4.05, 7.30. Lte. Show Sat. 10.50. 4: APOCALYPSE NOW (X). Sep. Perfs. Dly. 1.45, 4.50, 8.00. Late Show Sat. 11.10. Seats Bkble.

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FINANCIAL TIMES

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Saturday December 29 1979

Decade of disorder

THREE economic facts summarise the nasty decade we have just survived. The real value of paper money has fallen by more than half (and by two-thirds in Britain). The real value of gold has increased sixfold. And the real price of energy to final users had risen by about a quarter—and by only 15 per cent in the U.S., Britain and Germany. The so-called OPEC decade was a decade in which we tried to fend off the reality of scarce resources by printing claims. It was a tactic which succeeded better than it deserved in terms of energy costs and damaged the monetary more than the real economy.

Adjustment

Now we face the reckoning. Since all major countries are now struggling to restore monetary credibility, the most recent increases in energy costs will have to be paid in good earnest, just as we now have to pay bond-holders something approaching compensation for inflation. Adjustment, and very painful adjustment at that, is now perhaps being faced in earnest.

Perhaps seven years was not too long a time to learn such a lesson. The easy growth of the 1950s and 1960s produced habits which were hard to break. Governments which had learned to manage demand had no responses ready for a disruption of supply. Wage-earners accustomed to steadily rising real incomes from the miraculous machine which we had made of the mixed market economy could not be expected to learn overnight that dearth is possible and that adjustment is costly.

As a result, the 1970s proved a laboratory in which inflation theories were tested and proved. Inflation can be seen as the result of printing too much money, or as the way in which society resolves the clash of excessive claims on output—with wage push as one aspect of this struggle. Both explanations fit the evidence plausibly, and all over the world the response has been much the same.

In the battle of claims, it is the public sector which is now in retreat, at the wish of the voters. Proposition 13 in California or the swing to the Right in so many countries both express this conscious choice. At the same time both those who preach centrally-planned incomes policy and those who abjure it are seeking the same end—rational settlements. Finally, the general determination to restrict the growth of money and credit is raising interest rates everywhere to a level which reflects inflationary experience—not a rate war, but an adjustment.

The pains of 1980 can thus be seen as a rational, though long overdue response to the challenges of the 1970s; but they are not, unfortunately, an adequate response. Change is unfortunately expensive; and the attempt to pacify the consumer in a world of constrained money and output leaves little residue for the immense investment needed to ensure that growth can be resumed—investment is new energy sources and new technology.

The sources of growth in earlier decades, notably cheap oil and rising farm productivity, sprang quite literally out of the earth. The likely source for the coming decade, nuclear power, coal chemistry, and automation, require large capital investment and pose large social problems. Meeting this challenge will pose both economic and political strains.

The most pressing dangers are clearly international and monetary. One result of a decade in which the promises of market democracy have proved partly hollow has been a rebirth of religious extremism, posing unknown dangers which have badly undermined financial confidence. The explosive rise in the price of gold and the renewed weakness of the dollar, despite policies which would fully have restored its credibility only a few years ago, express real concern about the stability of the international credit system. Perhaps only a crisis can produce the solutions which are required — not only monetary restraint on the national level, but debt terms which impose bearable real costs instead of potentially unbearable nominal interest, a realistic exposure to and assessment of risk, and an effective world monetary authority. The tentative answers have yet to appear, but at least the questions are back on the agenda.

Commonsense

Fashionable gloom suggests that our domestic political systems are in as bad shape as the monetary system to face such a challenge. After a decade in which minorities of every kind, from high-minded pacifists and environmentalists to trade union militants and armed guerillas, have disrupted the operations of governments, and only extremism has flourished, it is easy to despair. There is certainly a greater danger than at any time since the 1930s of a retreat from liberalism of every kind—free trading, freedom of association and liberal political systems.

This fear can easily be overdone, though it is dictatorships, not democracies, which have been overthrown in the 1970s, in Africa, Central America, Portugal, Spain and Greece, even if Chile stands as a cautionary tale of what can result from inflationary excess. Voters and shopfloor workers have increasingly been showing a robust commonsense. It seems that we have learned something.

The changing patterns of world tourism

BY ARTHUR SANDLES

IN WHAT must be one of the most remarkable turnarounds in the history of tourism, Britain is preparing to launch an intriguing invasion this spring. Nearly 5,000 Britons a week are now booked to have their summer holidays in the Miami area of Florida — from Easter to hurricane time in the autumn. Half in amazement and half in relief — for Miami Beach desperately needs the business — hoteliers reckon the UK will account for more than 2m bednights in the summer season. The Costa Americana has arrived. In a frantic scurry to cope with this new business the local tourist industry is trying to find out more about this strange new market. Do the British, for example, insist on Afternoon Tea?

The British "packagers" will pour in on chartered jets clutching such familiar baggage tags as those of Laker, Cosmos, Intasun and Thomson. Miami is proving to be the bargain basement of the American travel boom, but if you add in the rush to California, New York and Texas you could find a season in which more Britons go to America than Americans come to Britain — a prospect raised by TWA, which ought to know where its custom is coming from.

The sudden blossoming of America is an illustration of the volatility of the travel market at the moment. Although those involved in the industry, both those taking the British abroad and those attracting foreigners here, have to make predictions few seem to be making them with any optimism or confidence. Even the U.S. explosion could be dampened by any drastic reduction in the value of sterling or massive fuel surcharges on what is, after all, a route where the flight content of a holiday package is an important factor.

Relatively stable

To an outsider, however, the travel business might seem enviably stable compared with other areas of discretionary spending. Colour television set makers would love to have a market which showed surprise at 5-10 per cent changes in demand. This year the traditional crop of glossy brochures seems bigger than ever. Newspapers will bulge with travel supplements over the next few weeks and television will shout the package companies' appealing wares. Customers will find that prices have changed over the years. A two-week peak season package in Benidorm now costs around £200 a person and a Global 15-day coach tour of Europe can set you back £345 —but it does take you to Brussels, Paris, Venice and Rome among many, many other places.

Behind the tub-thumping and the gloss, however, the student of the travel game will find a heart which is beating a little nervously. If the threat of a continued international economic slide were all the industry had to worry about then the industry might be more cheerful. The travel world is much more concerned about the erratic nature of the international currency markets, the price and availability of fuel, and the impact of governmental action, particularly in the field of de-regulation of air services.

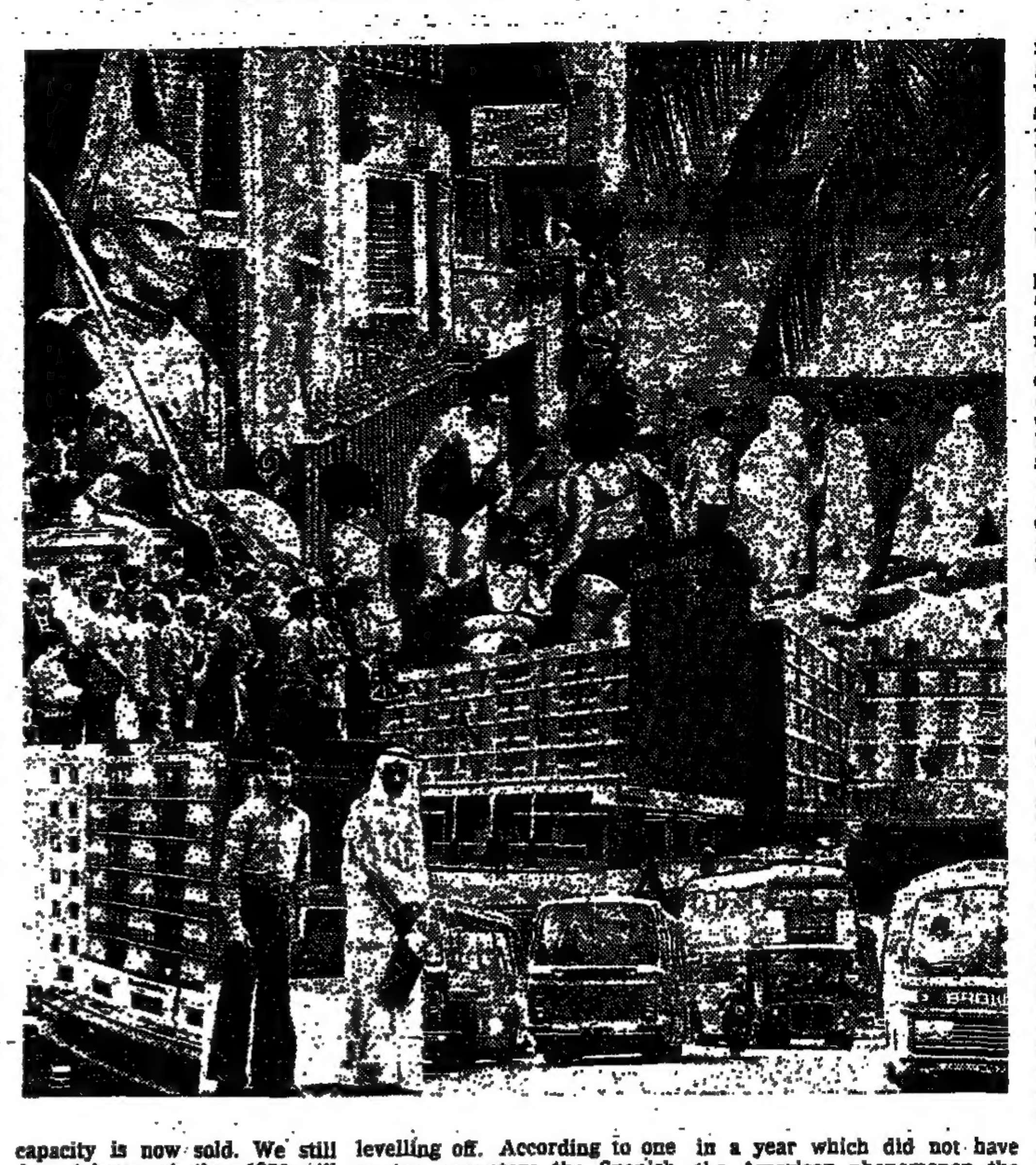
All these are subjects of considerable interest to the British travel industry—that which receives foreign tourists as well as tries to keep Britons within their own borders—as well as to the package tour companies and airlines which might want to make us leave our shores. As the American travel market basked in the comfort of a weak dollar, so the British saw their much prized market for U.S. tourists dwindle. What might have seemed reasonable price rises in hotels and restaurants in a domestic context became, when translated into dollars, an alarming burden. In dollar terms the New York Hilton is now much cheaper than the London Hilton. In 1976 the British Tourist Authority was predicting that 1979 would see 13m foreign tourists coming to the U.K., nearly 2m of them Americans. If 1980 now sees 12m tourists and 1.5m Americans there are many who would say we had done well.

The performance of the dollar has been the single most difficult factor during the past 18 months or so when trying to make accurate predictions of business, and the past year has seen a few surprise events. The Iranian revolution led to oil shortages which at one stage grounded aircraft and closed petrol stations. One of the world's most popular charter jets—the DC 10—was grounded for several crucial weeks; one of the most aggressive charter airlines, World, was hit by a long strike, and the effect of de-regulation began to bite.

The dollar, however, dominated. Traffic to the U.S. from much of the world leapt up. For the airlines it simply meant replacing American bottoms with other bottoms. For travel agents, tour operators and hoteliers in the American trade it meant learning to live with a new set of rules. The number of tourists from Germany, Britain and much of the rest of western Europe soared by around 40 per cent. When the figures are finally counted, more than 1m UK residents may be shown to have gone to the U.S. in 1979, most of them on holiday.

Americans stayed at home (home included Hawaii, which had a very good year) or went to the Caribbean with its dollar-linked currencies.

Most people seem to think that 1980 will be another year of unpredictability. "When we launched our programme in September we were pessimistic," says Thomson, Britain's biggest tour operator with a capacity of around 900,000 a year. "But the last few weeks have been amazing. Fifty per cent of our capacity is now sold. We still do not know whether 1980 will be up on last year or down."



The reason for this uncertainty—in spite of a remarkable pre-season sales period is that the British have swung back to early bookings again. Cosmos and Intasun, which with British Airways tour subsidiaries and Horizon, form the UK tour "top five," both published their brochures much earlier this year than in 1978, and both seem to be reaping benefits from this move. "People seen to be making their minds up much earlier," says Thomson. Cosmos is encouraged into thinking its own market share will rise: "We have a slightly increased target, but the overall market could well be a little down on 1979."

Last year, a very good one for most operators, also saw a boom in bookings around Christmas, but this disappeared in mid-January. There are fears that the same thing might happen again.

Nonetheless there is already enough business around for some patterns to have emerged. In 1978 and 1979 Spain lost its position as the holiday playground for the majority of British going abroad. It slipped below the 50 per cent mark and, by several accounts, continues to slip although the decline shows some signs of levelling off. According to one or two operators the Spanish islands, particularly Ibiza, are recovering quite well after a disastrous period for tourism in the whole country. In Spain prices shot up, standards declined and labour problems proliferated. The number of international tourists visiting Spain in 1979 fell by 3 per cent to around 38m. This was so serious an event that the Spanish Government played host to the world's more important tour operators in Torremolinos earlier this month in order to outline ways in which Spain plans to put its house in order—including £20m in government grants for better hotel security and fire precautions.

New holiday haunts

The sunshine-seeking tourists of northern Europe have been making for three main other destinations — North Africa (Morocco and Tunisia), Greece and Florida. With Greece now full (some people caught up in overbooking problems would say it was overfull in 1979) attention is also turning to Malta and the Far East. Indeed, in a year which did not have the American phenomenon the rapid growth of traffic from Europe to Thailand, Singapore, Hong Kong and Indonesia would have been notable.

This growth in long-haul business, which is greatly benefiting the airlines and such traditional long-haul operators as Kuoni, Turnbull Gibson and Rankin Kuhn, is due to a large extent to the way in which tourist air fares have fallen, at least in relation to the prices of other commodities. Credit for this must go to Britain's Sir Freddie Laker and the American Civil Aeronautics Board. In their separate ways these two managed to bring to the brink of disintegration of the world's old formalised air fare structures. The mood in aviation at the moment is one of de-regulation, of allowing freedom of competition within the boundaries of safety and economic sense.

De-regulation is on its way in Europe—Laker wants to run an £80 one-way fare from London to Athens, less than half the present economy fare—and when it does it is likely to provoke a considerable disturbance in tourist patterns. With very low airfares on scheduled services the package tour operators face considerable competition, with passengers opting for direct booking rather than getting a packager to do the work. The swing to do-it-yourself packaging (families buying their own flight tickets and booking their own hotels) in the U.S. since de-regulation has been enormous. Some large tour operators have gone bankrupt as a result.

British package tour companies have moved to some extent into a position of being able to leap whichever way the market goes. Thomson, Cosmos, Horizon, Intasun, Global and, of course, British Caledonian (Blue Sky) and British Airways (including Sovereign, Enterprise and Martin Rooks) all have their own aircraft and could, where they are not already, "go scheduled" if they chose to and if the British Civil Aviation Authority would allow it.

Double-edged weapon

This ownership of aircraft is a doubled-edged sword. Most of those companies which m oved into the airline business recently, notably Horizon, Intasun and Global, did so because they foresaw a shortage of charter aircraft in the early 80s. They have invested to varying degrees. If the market were to collapse severely then anyone with a large airline arm might be faced with the problem of any vertically integrated company: the inability to contract rapidly in bad times. The ghost of Court Line — with its huge jets, Mediterranean hotel chain, buses and computers, still stalks the encampments of package tourism.

With the British market, it seems that much is going to depend on the value of sterling. Every point that the currency rises sends a few more Britons abroad and deters a few more foreigners from coming to the UK.

Britain does have one of the best organised and best marketed tourism industries in the world. It also boasts, whatever we may say at home, a hotel and catering industry generally with remarkably high standards. Mr. Melvyn Greene, of consultants Greene Belfield-Smith and Co., reckons that 1980 might well be the year when the British hotel industry surprises the City. "After all the doom and gloom in the 1979 Press," he argues, "the results of the major hotel and catering groups announced in 1980 will surprise many people, even though interest rates have been high. The hotel industry, after a difficult 1979-80 winter will confound some City experts by showing surprising profit performances in 1980. Hotel shares could well take the limelight in 1980-81."

So, even in the depths of a turn-of-the-decade winter, there are some optimists around. Perhaps they also include those who are buying their suntan lotion ready for the spring rush of Europeans to the Costa Americana.

Letters to the Editor

Mind my bike

From British Rail's Passenger Manager (Marketing)

Sir,—I refer to the news item (Dec. 7) about the conveyance of bicycles by train. The free cycle scheme was introduced in 1977 with the object of promoting optional and leisure rail travel by cyclists.

With two years experience of the scheme behind us, we have found that an increasing number of commuters have been using the facility to bring their cycles into London and this has created considerable problems at peak times.

Our main task in London and the south east is the mass movement of people, and rolling stock is designed with limited van space or in some cases none at all, in order to make the maximum amount of room available for passengers.

There have been:

(i) delays to trains because of the loading and unloading of cycles.

(ii) conflict between passengers and cycles on platforms, staircases and at barriers.

(iii) many examples of inconsiderate behaviour by cyclists, who ride across concourses and along platforms.

The situation is further complicated by the introduction of new rolling stock with sliding doors, which has no guard's van.

In the interests therefore of the majority of our customers, we have found it necessary to impose a ban on cycle conveyance at peak times in 1980. Restrictions are not applied lightly and we shall be reviewing the situation later in 1980.

P. M. Haydon.
British Railways Board,
222, Marylebone Road,
London NW1.

NEB and ICL

From Mr. Peter K. Minton

Sir,—It was with not a little annoyance that I heard that the National Enterprise Board had placed its ICL shareholding with institutions.

ICL has been fostered with public money, our money, both directly through grants and financial aid, and indirectly by a favourable public sector spending policy. Do we, however, get an opportunity to take a share in the good fortune that has been bought with our money? Of course not!

Instead of a public issue the NEB, presumably after discussion with ICL and the Government, decides on private placing. We should perhaps have been more surprised if the Government or the NEB, despite their indecent haste to sell off our assets, actually did give us the opportunity to enjoy some of the benefits of our long investment in ICL.

But we need have no fear that that would have happened for this Government (with a "mandate" based as usual on minority of votes within a thoroughly bad electoral system) will continue to look after its paymasters as carefully as did the one before it.

Peter K. Minton.
Underwood, Hardwick Road,
Reading, Berkshire.

Threat to pits

From Mr. R. W. Boam

Sir,—Coking coal imports by the British Steel Corporation (and steam coal by the Central Electricity Generating Board) pose a major threat to the total British energy supply. Pits will have to be closed and lost for ever while new mines take many years to come into production.

This at a time when miners have given the Coal Board a massive vote of confidence by secret ballot and turned out most excellent prodctivity figures which should be the envy of the rest of British industry.

Once overseas imports are established, temporary price advantages usually vanish. By that time it will be argued that the Coal Board cannot produce enough and by the very same organisations who will have been the cause of it.

Britain will then have to import coal. The Government should stop or at least restrict coal imports, at once order power stations to switch from oil to coal, export that oil and use the proceeds to cover the cost of coal subsidies.

R. W. Boam,
Director, EAS (Coal) Ltd.,
99, Eaton Terrace, SW1.

Recruiting

From Mr. C. J. Burn

Sir,—Michael Dixon has once again devoted an article to the Code of Recruitment Practice.

For whose benefit is the code intended? It cannot be for the recruiters and candidates who conduct their affairs in a reasonable and courteous manner.

It must be intended to influence the behaviour of those who have shortcomings in this respect. But surely these shortcomings are facets of behaviour that provide the recruiter and the candidate with useful and probably important information required for decision making by both parties.

Why encourage deception?

In the article "top management" are exhorted to issue "decrees" on recruitment practice. If that is necessary, then of the personnel management problems in those firms, recruitment is probably the least important.

C. J. Burn.
11, Derwent Crescent,
Stanmore, Middlesex.

Raising money

From Mr. R. M. Bankes-Jones

Sir,—Lex's comments (December 21) are a timely reminder that we have the Macmillan Report (1931), the Radcliffe Report (1959), the Bolton Report (1971) and (almost) the Wilson Report; and that, despite sundry developments in the wake of all that, the problems and climate are more pressing than ever.

Two perennial difficulties remain for smaller businesses with potential. They are reluctance of the business to prejudice its independence and "belt and braces" standards of security required by banks. The clear need is for more "give" at both ends to increase the "take." Finance apart, the tentacles of restrictive legislation also stifle enterprise.

While there is no single or easy answer, experience does seem to show that effective solutions cannot be invented centrally, by a kind of alchemy, to fertilise the business ground, in all its infinite variety up and down the country. Centralisation is the wrong way to deal with diversity.

That is illustrated, not invalidated, by tentative attempts by some giant companies and pension funds to tion also seems to be increas- help fill the gap. (Centralisa- ingly unsuccessful, at enormous public expenses in public industries and services.)

Perhaps a move by a few experienced and enterprising men to leave clearing banks merchant banks and large companies and set out independently to arrange or provide finance and advice for small businesses from regional centres might help. In parallel, so (among other things) might bank borrowing for the business by some of the employees, in conjunction with some profit-sharing or equity participation arrangements.

R. M. Bankes-Jones.
154, Palewell Park,
East Sheen, SW14.

The trap

From Mrs. Hermione Parker

Sir,—Samuel Brittan (Economic Viewpoint, December 13) proposes cuts in employers' national insurance contribution (financed out of North Sea oil revenues) as a means of restoring profits and incentives.

Of what possible benefit could this proposal be to people caught in the poverty trap or the unemployment trap, to whom, since the June Budget, the problem of incentives principally applies? As a result of the poverty trap it now makes a difference of only £8, in terms of spending power, whether a family man with two children earns £35 or £85.

Because of the unemployment trap, he needs earnings of £65 to live at approximately supplementary benefit level.

Lack of incentive (minimal rewards for extra effort, and minimal penalties for those who barely try) is a root cause of falling profits. The reason is excessive taxation of employment incomes, and the chief victims are families with dependent children, for whom, since the abolition of child tax allowances, taxation is no longer related to ability to pay.

Cutting employers' NIC might give profits a temporary boost, but no more. The only way to restore incentives is by raising tax thresholds well clear of SB levels.

For single people and childless couples that means further increases in personal allowances, a re-structuring of the allowance system, and the introduction of a new deduction for work expenses. For children it means substantial increases in child benefit. Without child tax relief there is no other way.

Several firms in recent years have taken the bold step of undertaking to pay their employees' income tax. The results have exceeded even their most optimistic predictions. The moral to be learnt is that profitability depends on a contented, motivated workforce.

Hermione Parker,
Nettlefield,
Pirbright, Surrey.

Unit trusts

From Mr. J. T. Stride

Sir,—Now that the unit trust movement is free to determine its own charge structure, it is pertinent to ask how management groups will push through increases in annual charges.

It is quite clear that it is not in the interest of unit holders to approve any increase, since higher charges merely diminish their own future income. Accordingly unit holders should vote against any such proposal.

However, many units are held through life assurance schemes and investment trusts closely associated with the management groups. The Department of Trade and Industry must prevent any possible abuse of these close relationships, and in equity to the ultimate beneficiaries insist that such units be voted against proposals to alter trust deeds and permit higher charges.

J. T. Stride.
"Amberley,"
Tattenham Crescent,
Epsom Downs, Surrey.

Mortgages

From Mr. Alan T. Rhodes.

Sir,—It seems to me there is no logic in including mortgage repayments in the cost-of-living index since this affects only a part of the community and to a widely varying extent.

In real terms the person with the large mortgage repayment is still prospering most since the present "high" rate of interest is equivalent to a lower rate when the sum borrowed in the past is translated into present-day money and the capital is only repaid in face value.

Alan T. Rhodes.
The Old Forge,
Waldeton,
Chichester, Sussex.

Ill-timed closure

From Mr. R. C. Owen.

Sir,—At a time when major regional investment programmes, such as the Kielder Reservoir project and the Newcastle Metro system approach completion, the closure of Consett steelworks seems ill-timed.

Are there any other major projects in mind to reduce the regional unemployment burden?

R. C. Owen,
18, Burden Terrace,
Newcastle-upon-Tyne,
Tyne and Wear.

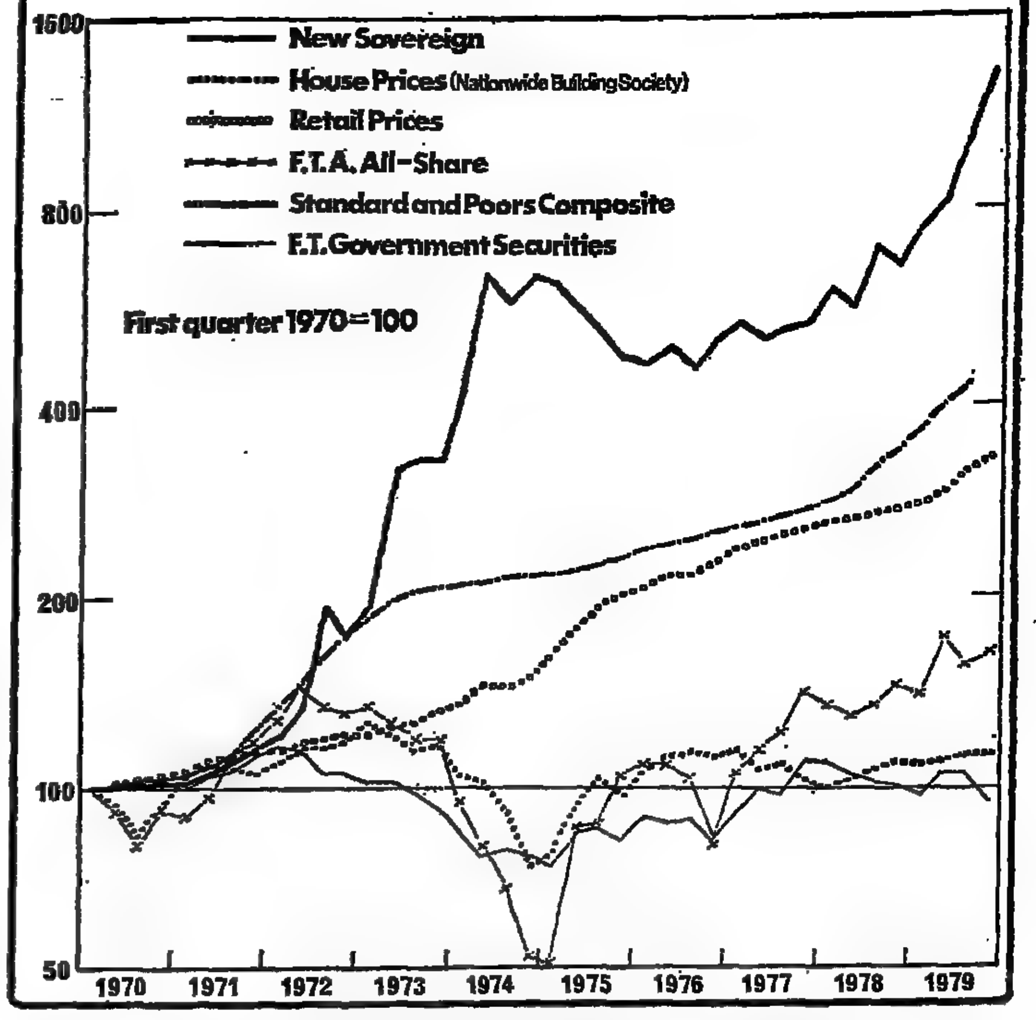
Pigs might fly

From Mr. L. A. Partridge

Sir,—Had the Gadarene swine made a U-turn, who could have blamed them?

L. A. Partridge.
72, Eastfield Ave.,
Bath, Avon.

Best buys of the decade: the chances you missed



By RICHARD LAMBERT, Financial Editor

IN JANUARY 1970, I did a rather clever thing. I sold all my equity investments and realised the nice round sum of £3,000 after Capital Gains Tax. With the money, I bought a piece of agricultural land—not much, just a hectare or so (whatever that is). It cost me under £500.

Then I dug a very deep hole, *which I insulated thoroughly* with shredded-up copies of the Financial Times (these come *free with the job*). *Into this* I popped half a dozen cases of 1945 Chateau Lafite at £140 a *throw, plus three dozen new* sovereigns which cost me £137. I filled in the corners with 10 barrels of Nigerian *crude oil*—I get the barrels on a sale or return basis—which cost me £7.50, and 10 1840 Penny Blacks, which set me back by £1,000. I then bought a rather smart 12-bore shotgun for £500, with which to forage for food and see off intruders, and that left me with £26 to cover the necessities of life like a tent and a supply of baked beans.

It has all worked out rather well. Ten years later, I'm sick to death of pigeon pie. But the land is now worth over *£4,000*; the Chateau Lafite is selling at £1,100 a case; the value of three dozen sovereigns is nearly *£2,000. Ten barrels of* equivalent crude would now cost over £115, the Penny Blacks might go *for £25,000* and the *shotgun* could be worth about £2,000 second hand. That adds up to *the best part of £40,000.*

All fantasy, of course . . . My savings, such as they are, have continued to moulder in a building society account where the nominal value—after reinvesting interest receipts net of tax at the standard rate—has roughly doubled. Retail prices, by contrast, have more than trebled over the decade, so in real terms the value of the money on deposit has declined *considerably.*

The assets that have been worth holding in this period of *inflation have had a number* of common characteristics. They have been tangible, trans-*portable, and in limited supply.* As often as not they have been absolutely sterile in nature — *in other words, they have been* stores of wealth, like stamps, rather than creators of wealth, *like equities.*

Dramatic rise

Gold is the most obvious *example, up from $35 an ounce* in 1970 to over $500 today, but there are plenty of others. For instance, silver's rise has been just as dramatic. The aggregate value of a list of classic stamps compiled by Stanley Gibbons has risen seven-fold. Sotheby's had difficulty in getting rid of 1963 vintage port at £12 a case in 1970: today, a case would probably fetch about £100.

Not all the so called "alternative investments" have been so rewarding. Taking 1970 as 100, an index of the price of Chinese ceramics compiled by Sotheby's had risen to 543 by the end of 1978, but a similar index of old caster paintings was only just keeping pace with the UK's rate of inflation at 307, while an *index of impressionist paintings* was only up to 190. Bad news, unless you actually like looking at the things.

In general terms, however, investments in rare, tangible assets have been more likely to *maintain their real value than* have paper assets like bonds or ordinary shares. The *FT-Actuaries All-Share Index* has risen by a little under 70 per cent since 1970, or by about 130 per cent *allowing* for the value of dividend reinvested net of tax at the standard rate. To compare this with, say, sovereigns, which *have* risen from $9.15 to well over $100, you *have to make some adjustment* for the cost of storing and insuring the coins. Yet there is still *an enormous* gap between the two figures.

The rising price of oil has *played a key part in establishing* these shifting investment values. In October 1970, when BP announced *the discovery* of the Forties Field, North Sea-type crude was selling at roughly $2 a barrel. Today the figure is $26 or more and the value of an oil field with an estimated 1.8bn barrels of recoverable reserves has been transformed.

The impact of the higher oil price on investment markets has been two-fold. First, it has helped to fuel inflation, which in turn has tended to squeeze real company profits and share prices around the world. Secondly, it has created substantial financial surpluses among the oil producing nations, which have been seeking to reinvest their funds in diversified portfolios of assets.

Not surprisingly in these circumstances, countries with strong currencies have often also been able to boast relatively strong security prices. This combination has offered substantial rewards to shrewd investors. For instance, UK investors who bought Japanese shares at the beginning of 1970 could have multiplied their capital *by five times over the* decade, even allowing for the disappearance of the dollar premium. Ten years ago there were 859 yen to the pound; today there are about 520. Over the same period, the pound has fallen from the equivalent of 8.86 Deutsche Marks to 3.85, and from 10.3 Swiss francs to 3.50.

All too often, however, UK investors have been tempted to *do exactly the wrong thing in* the currency market. The lure of raising apparently "cheap" loans in hard currencies in order to invest in the U.S. almost wiped out a number of investment trusts in the mid-1970s.

Expansion

At the same time, some investment funds were also taking a beating in the commodities markets. Prices boomed in the early 1970s, as almost all the world's developed economies expanded at a hectic pace. The average cash price of copper, for instance, nearly doubled in London between 1971 and 1974. *But metal prices plunged as the* world moved into a recession, and during the decade many *metal prices have fallen to well* below the cost of replacement capacity. Lead and tin have risen in real terms, but copper has slipped well behind the UK rate of inflation. An investment of £100 in 1970 would still be worth less than £200 today.

For most investors, however, commodities and works of art *remain a pretty remote home* for savings. But one very important store of wealth comes *much closer to home. These* have been the years in which house prices caught up with the *weather as a standard topic of* conversation for British citizens. The people sitting glumly at the *corner of the dining* table *were* those who had not bought their own houses when the going was *good.*

An index of the average price of all houses calculated by the *Nationwide Building Society* rose from 100 to over 200 between 1970 and 1973. Then *the market lost its momentum* for a while. It was not until the second quarter of 1978 that the index broke through 300. Prices then surged ahead through to the third quarter of 1979, when the index stood at 431.

The impact on private wealth has been substantial. The *average UK house cost £4,700 in* the first quarter of 1970 and £20,250 by the third quarter of this year, again according to the Nationwide figures. Average prices in London and the South East rose from £6,000 to £26,400 over the same period.

Other types of property assets have also showed *substantial* gains. Chartered surveyors Jones Lang Wootton compile an index covering the combined capital and income returns of a mixed property portfolio. Its increase over the decade has been roughly comparable with that of the Nationwide housing index.

But it has not been so easy for the private investor to capitalise on the rise in investment property values as on the gain in house prices. An index of property bonds compiled by Money Management has risen by less than two-thirds during the past five years. In which time the Retail Price Index has risen over 2½ times.

The increasing proportion of wealth taken up by housing has had substantial implications for *the whole economy. At the end* of 1971, the stock market value of all UK and Irish registered *companies was something like* £50bn. By the end of 1976, the figure had fallen to around £41bn, and it has since recovered to roughly £75bn. But between 1971 and 1976 (the most recent figures available) the estimated monetary value of private dwellings, net of mortgage debt, rose from £46bn to £107bn and it must be getting on for double that amount today.

Sooner or later, those trends have to change. If the value of *the nation's manufacturing and* commercial base, as measured by the stock market, continues *to fall in real terms, the point* will be reached eventually at which the economy will be un*able to sustain* the incomes which support the value of all those houses in real terms. If that were to happen, the resulting shambles could make the financial crash of 1974 look like the merest hiccough in comparison.

The best hope for the 1980s is that the circumstances will be created in which private savings will flow back into industry and commerce and *away from* those non-productive assets which have flourished so mightily in *recent years. The trends in the* opposite direction are so well established that it will require *fundamental changes through-*out the economy to reverse them. But there is no other way that you are going to be able to afford actually to drink that 1945 Lafite.

Weekend Brief

Who owns what in video tapes . . . . the boom in big book swappers . . . . the race to 1,000 mph . . and the money's not for burning

A record of video games

Among the glossiest of electronic toys received by some over the past festive week has been a new video tape recorder, an item of micro-chip wizardry which many manufacturers *hope to see as standard house-hold* equipment before the decade is out. With such *gadgetry proliferating* is now not the time that the software companies—producing pre-recorded tapes—should start flooding the market with goodies? Well, some tapes are already on sale, most of them old films, but the day when video shops will outnumber audio-record shops seems a long way off. The revolution is being delayed by a massive international row over just who owns what when it comes to a videogram (the new word covering both tapes and discs). Already, with the audio-visual establishment enmeshed in arguments over copyright with actors, writers, musicians and unions, the video pirates are beginning to move in.

Among the recent casualties as the pre-recorded videogram makers struggle to create a market has been an EMI taping of carols from King's College. Anyone who thought there could be no argument over the copyright of songs over a century old is wrong—the problem comes in such questions as the musical arrangements.

Everyone in the music and film world sees videograms as the gravy train of the eighties and nineties, and wants to make sure that they are fully qualified passengers. Musicians in particular are eager to have something from each of the future videograms sales price going to them. But they are not the only ones. Writers and actors are trying to word their contracts for films and TV shows in such a way that if the material is used for a videogram then they will get a percentage of the take.

The main arguments from the videomen is that there is simply not enough money in the business to start sharing out little bits and pieces to everyone. Even giants like Philips and EMI (ailing giant though it was) have joined forces in unlikely temporary alliances to develop the market. "Can you imagine trying to make money on records if there were only 100,000 record players in the *country," said one EMI man* ruefully. "That's where we are at the moment with videograms."

The whole question is compounded by the fact that the big companies involved, and that means pretty well every mapor movie or record maker in the world, do not themselves want to give away too much now in the rush to get things going and then find life too complicated later. The ominous thing is that there are no central talks *going* on anywhere at the moment. Every tape made at the moment is done under individual agreements. Industry nervousness means *that the* pirates are busy taping films and TV programmes

EMI's Donald Maclean: no carols for Christmas.

and offering them for sale, notably in the Middle and Far East but increasingly in Britain and the U.S. The nervousness is likely to continue, however. *As* Donald Maclean of EMI said recently, it is a question of cold *feet rather than cold logic.*

Going by the book

For most people in the retail trade the week after Christmas is quite possibly the worst of the year. If you are not fighting off hordes of crazed bargain hunters who've been queueing since daybreak to have first crack at the sale, then you're hounded and harrassed by all those bearers of unwanted Christmas gifts—apologetic matrons embarrassedly *exchang*ing a size 10 black lace negligee for something more serviceable in a *size 14.*

For one small, enterprising body of traders, however, the tail end of the festive *season* marks the start of their best and busiest trading period. They are the dealers in "unwanted gift sets" of *Encyclopaedia Brittanica.*

One South East London number offering both to buy and sell those unwanted gift sets was reluctant to reveals his name, and indeed insisted on *calling back to* ensure that I was neither the Inland Revenue nor the proprietors of *Encyclopaedia Britannica.*

"It's a sideline really—not enough in it to keep me going full time but a very *nice little* business on the side. Problem is I get far more buyers than sellers, its getting quite difficult to get hold of a new set at a good price. Lot of competition now. This time of the year its mostly sellers, all the buyers will start ringing around exam time, when they think their kids might need some help." Dealer number two's number had been given to me by a colleague who was about to purchase a second-hand set for his son, and had been put on to a "source" in Walthamstow by his local newsagent.

This source too was very cautious, admitting only that yes, he did have a 1979 edition of *Encyclopaedia Britannica.* new, never used, unwanted Christmas present, know what I mean, going dirt cheap only £400. "Me a dealer? No mate —*but I belive there are quite* a few around. Very competitive business they say."

The third number offering to buy—and sell—unwanted gift sets was much more forthcoming. It was Bargain Books of Reading, and Mrs. Bargain Books cheerfully admitted that she ran regular *advertisemets*—though she was less forthcoming about the exact fruitfulness of *her* advertising campaign. "Shall I just say that its more tha one a month, but less than *one a week. We have a lot more* sellers than buyers—I could buy lots more but I just don't have *the space in the shop. I prob*ably buy only 50 per cent of those people who ring up offering to sell."

"I think a lot of people buy them and then find their children aren't interested, or *else* the books are simply too advanced for their children and *they never get used." Encyclopaedia Britannica's* Leslie Smith expressed extreme surprise on *learning of the flourishing mar*ket in new used encyclopaedias. "Most of the 10,000 sets we sell *each year are sold* in the last quarter's run-up to Christmas, but I had no idea there were *so many coming back on to the* market. Whenever this happens we always suspect a leakage *from the warehouse, but we* know for a fact that there is no leaking at the moment. One *thing that does concern us* is that people might be abusing our generous extended credit terms: *buying a set on credit,* then selling for cash."

Stuntman's fast move

A beer can frothing along at the speed of sound inevitably makes *quite an impact.*

When Hollywood stuntman Stan Barrett shot across Rogers Lake, California, earlier this month in a needle-pointed tube labelled Budweiser (the name of one of the most popular U.S. beers) at 739.666 mph, he put a dent in British hopes of soon recapturing the world land speed record yielded by Donald Campbell to the Americans in 1964.

Barrett, 36, who has doubled for stars in perilous situations, inspired Burt Reynolds' film *Hooper.* He made his run on board a three-wheeled, rocket-powered vehicle which in September unofficially broke the "old" record of 622 mph set up by Gary Gabelich's "Blue Flame" nine years ago. But it did not reach the sound barrier. *This* time Barrett made it—with the help of a strapped-on Sidewinder missile.

"We were a little sceptical when we heard that there was no sonic boom," says Richard *Noble, the London-based GKN* executive who is heading up Project Thrust, Britain's own programme *to capture* the record.

But where does all this leave *Thrust 2, the Rolls-Royce Avon* jet-powered Project Thrust car in which nearly 90 British companies have variously-sized stakes for a total investment so far of £300,000?

"Naturally, Thrust 2 cannot compete with that." Noble agrees. "But Thrust 2 originally was intended only as a development and demonstration car." Its design criteria originally included a capability of 600 mph, not enough to break even Gabelich's record.

"It was only when we had done all the streamlining testing in British Aerospace's Filton wind-tunnel that we realised it should be able to beat 650 mph."

Thus Thrust 2 was to have had a quick crack at Gabelich's record next year before the project team moved on to Thrust 3.

"Now, Thrust 2 will continue to fulfil its development role. We have much to learn from it, and it must be remembered that until Project Thrust no one in the UK had applied himself to record-breaking technology since the days of Campbell."

With the sound barrier *now* almost certain to be accepted as having been broken on land. *Project Thrust's original* goal of being the first to go supersonic has also been overtaken.

"*But in this kind of game* you have to be prepared to be upstaged." Noble points out. "*We fully intend to be part* of the race for the next real target, of 1,000 miles per hour."

A way with money

For four years three senior executives at the Bundesbank, West Germany's central bank in Frankfurt, appeared to have hit on the perfect crime. By the end of 1978 they had walked out of the bank with DM 2.4m (£632,000) evading all the bank's sophisticated security checks, and were enjoying a life-style beyond the dreams of honest bank employees.

But their bosses at the bank began to notice their way of life. When in addition, banknotes started turning up, which were supposed to have been destroyed months or years before, suspicions mounted.

The three officials were arrested earlier this year and during the trial, which ended this week, all three confessed their crimes. But the lenient sentences passed by the judge, Karl Wand—none of the three were jailed—appeared to reflect the wry amusement *of many* Germans at a case, which has rather dented the solemn image of the Bundesbank and its lofty role as "Protector of the currency," a role entrusted to it under a 1957 Act of Parliament.

Inevitably the bank has had to undertake a thorough re-*appraisal of its security* procedures—new methods have already been introduced, the court was told—and the case even led to the appearance in Frankfurt's Superior Criminal Court of Dr. Otmar Emminger retiring Governor of the *Bundesbank himself, called as a* witness by the defence.

Each year the Bundesbank takes hundreds of millions of notes out of circulation—last year 561m were withdrawn to a value *of DM 22.6bn (£5.9bn),* and it had always been assumed that they found their way safely *into the incinerator.*

Back in 1972, however, three employees of the Bundesbank —others have also come under suspicion, but no charges have been pressed—began to conspire to keep a little bit of the money for themselves. First individually, and then later together for the biggest coup, they started to rescue a few bundles *of notes from the flames.*

The invalidated bank-notes were then swapped by one of the group for *old* currency that could still remain in circulation.

They told their friends at the bank that they had married rich wives or had inherited money. To their wives they said they had won it in a lottery or had some luck on the stock exchange.

The three accused, not surprisingly, took a different stance during the trial. "Who were we damaging?" Maas wanted to know. "The money we were taking was only going to be burned."

The prosecution demanded jail sentences totalling 15 years for the three. But the judge was more *lenient.* The jail sentences he passed were suspended and the trio were put on probation *for four years. In this period* they must pay back DM 2.7m to the Bundesbank and a *further DM 1.1m in extra fines* must be paid to various charities.

Contributors:
Arthur Sandles
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BIDS AND DEALS

Fairbairn Lawson gets takeover approach

AN UNNAMED suitor has made approaches to **Fairbairn Lawson**, the troubled engineering group, only three days ahead of the long delayed *annual meeting* scheduled for 12.15 at the Queen's Hotel, Leeds, on New Year's Eve.

While the talks progress Fairbairn has asked for its shares to be suspended. At the suspension price of 13p Fairbairn is worth only £1.5m. At peak this year the market capitalisation was £7.9m.

Fairbairn's problems stem from a breakdown in the accounting systems in Greenbat, a major subsidiary. When this came to light during the Spring, Fairbairn began to make provisions against major losses in Greenbat of £2m at the trading *level*. This produced a collapse in group results from £1.3m profits in 1977 to *pre-tax losses of £1.47m in 1978.*

The extent of the problems at Greenbat took several months to *clarify and meanwhile the* accounts and the annual meeting were delayed. During the period, however, a Jersey based South American controlled company called Atlantic Engineering emerged as a buyer for Greenbat *in a complicated deal* which involved Fairbairn in payments of £4.3m to Greenbat.

The sale of Greenbat requires shareholders' approval and is the subject of a special meeting *preceding the annual meeting* on Monday. It is not clear, however, whether the bid approach is *intended to be for the whole* Fairbairn group, including Greenbat, or whether it is likely *to be conditional* upon the sale going through.

Hammerson acquires Reunion

Hammerson Property and Investment Trust has concluded its £42.3m cash purchase of **Reunion Properties**, a wholly owned subsidiary of Jardine Matheson, the Hong Kong based trading group.

The key to the acquisition was the 25 per cent stake Reunion held in Woolgate House, the *prestige* City of London office block — Hammerson owning the other 75 per cent.

The deal is to be financed largely from the proceeds of a two-for-five £35.6m rights issue *announced by Hammerson earlier* this month.

Mr. Sydney Mason, chairman of Hammerson, said yesterday that the issue had been exceptionally well received. Full details of the *levels of acceptance are expected* to be announced at the end of next week.

The two largest institutional shareholders in Hammerson, Standard Life Assurance and Royal London Mutual Assurance —between them controlling 26.6 per cent of the voting rights— have said they will subscribe in full for their entitlement under the terms of the issue.

Wm. Collins £3.6m office sale in move to reduce borrowings

BY ANDREW TAYLOR

***William Collins**, the Glasgow* publisher, which made a £828,000 pre-tax loss in the first half of *this year*, has sold the freehold of its St. James Place offices in London for £3.6m.

*Profits from the sale and lease-*back deal are to be used to reduce group borrowings. The *property* which was last revalued in 1969 had a book value of only £550,000.

Collins which has taken a short five year lease on the 12,850 sq ft of offices said that the purchaser of the building had asked not to be named. The publisher is thought to have agreed a rental in the region of £14 a sq ft.

In its last accounts, for the year ending December 31, 1978, *Collins showed net borrowings of* £16.3m against shareholders' funds of £26.5m. At the halfway *mark in the current year Collins* said that borrowings were around £1m to £2m higher than at the *same stage in 1978.*

The £0.83m loss in the first half compared with a £1.2m pretax profit in the first six months of 1978. The export business has been particularly badly affected by the rise in the pound while interest charges on borrowings rose by £382,000 to £1.1m during the first half.

In a bid to stem losses and reduce borrowings Collins has reduced its labour force by 800 and is also negotiating the sale of its loss-making U.S. subsidiary.

It is understood that the new owner of the St. James Place *offices eventually* intends to occupy part of the building which means that Collins will have to relocate some of its operations before the five-year lease runs out.

Imps wins California licence

Imperial Group has cleared a further hurdle in its attempt to buy **Howard Johnson**, the U.S. restaurant and hotel concern. The group announced yesterday that it had won liquor licence approval from the state of California.

This brings to 38 the number of states in which it has obtained clearances both in wholesale and retail alcohol—a combination generally frowned upon in the U.S.

HoJo operates as a retailer in 40 states so Imps is still waiting on clearances from a further 12.

California is considered by U.S. analysts to be one of seven states whose decisions on the proposed merger will determine its outcome. Other states thought to be important include *Connecticut, Florida, Illinois,* Massachusetts, New York, and Pennsylvania. Approval has yet *to be granted in these states.*

Imps shareholders have already approved the $630m agreed bid for HoJo.

MOOLOYA ASKS FOR SUSPENSION

With the accounts for the year to April 1979 still delayed and unlikely to be published before the end of January, **Mooloya Investments** is in breach of Stock Exchange requirements and has asked for its shares to be suspended.

The announcement of the suspension—of which shareholders had already been warned— accompanied the news that the 70p cash bid by **Nunnery Holdings** *for the minority of Mooloya* had closed with acceptances of only 125 shares.

*Nunnery, a private Jersey-*based company owned by certain directors of Mooloya, and other *parties already own 63.1 per cent* of Mooloya, an investment trust which ran into Takeover Panel censure over its earlier successful bid for Customagic, the stretch upholstery specialist.

In the market Mooloya's price has been standing consistently above the offer price. On Wednesday the shares gained 2p to 83p but the following day they lost 1p and were suspended on yesterday morning at 82p.

Meanwhile shareholders must wait for the accounts and a full circular relating to proposed *reorganisations of Customagic's* European and property affairs before seeing the final result of *the group's transformation into* a investment holding company.

Probe into newspaper merger

The proposed acquisition of the **West Somerset Free Press**, a weekly newspaper, by **Bristol United Press**, a subsidiary of the Bristol Evening Post, is to be referred to the Monopolies Commission.

The reference, the ninth concerning a newspaper merger since the Monopolies and Mergers Act came into force in 1965, is required under the Fair Trading Act 1973.

The statutory probe arises out of an agreement last March for the joint purchase of the West Somerset publication by BUP and Farnham Castle Newspapers from the family shareholders of Cox Sons and Co., publishers. In the case *of BUP that agreement* was subject to consent under the Fair Trading Act.

In a statement yesterday Bristol Post said that to remove uncertainty from the agreement, *so far as* the Cox shareholders were concerned, the whole of the capital was purchased by Farnham Castle in the first instance. Approval of the transfer to BUP of a 75 per cent interest is now being sought.

A spokesman for Bristol Post said yesterday that the profits of the West Somerset newspaper were "*marginal.*" The publication was outside Bristol Post's immediate area of coverage. It *was not the group's intention to* expand further into that area.

Under the Fair Trading Act *permission* for a merger is required where the buyer's average circulation after the *transaction reaches* 500,000 or over.

Apart from Bristol Post's controlling interest in BUP, Associated Newspapers, publisher of the Daily Mail and the London Evening News, has a 20 per cent stake. Associated, which is itself owned by the Daily Mail and General Trust, also has a 24 per cent holding in Bristol Post.

INVERESK SELLS

The sale of **Inveresk Group's** interest in the paper merchant*ing* business of **Link Paper and Supplies to Mo and Domsjo (UK)** has been completed in accordance with the agreement announced on November 29.

The sale is not to be referred to the Monopolies Commission.

SHARE STAKES

Philip Hill (Investment Trust) —The trustees of the National Coal Board Staff Superannuation *Scheme*, the trustees of the Mineworkers Pension Scheme, and the trustees of the Coal Industry Benevolent Trust, together hold 6.01m ordinary shares (6.24 per cent).

Hawley Leisure—Globe Investment Trust now holds 1.06m ordinary shares (9.3 per cent).

Elswick-Hopper — Mr. J. L. Turner, director, disposed of 6,000 ordinary shares. The London Trust Co. has acquired 800,000 ordinary shares, bringing its holding to 2.6m (7.6 per cent).

Commons Brothers—Esacopen Nominees has sold its holding of 154,000 shares.

Ferranti—Mr. B. R. V. Z. de Ferranti, director, disposed of 50,000 shares. Mr. S. B. J. Z. de Ferranti, director, disposed of 150,000.

United Rubber and Coffee Plantations (1932)—Hedgefield Country Securities, and its associates have a beneficial interest in 193,799 ordinary shares (13.9 per cent).

New Sylhet Holdings—Urogate Investments has acquired a further 2,500 shares and now holds 26.95 per cent.

Dorrington Investment — Waltonite acquired 269,500 ordinary shares and now holds 12.77 per cent.

Empire Plantations and Investments—Singlo Holdings has purchased 15,000 ordinary making holding 308,000 (5.2 per cent).

Grange Trust—Courtaulds Pensions Common Investment Fund is interested in 1.08m shares (11.2 per cent).

British Investment Trust— Black Diamonds Pensions has increased its holding to 51,825,672 shares (83.05 per cent).

W. H. Smith and Son (Holdings)—The WHS Pension Trust has acquired 500,000 "B" ordinary shares and now hold 5,500,000 shares (7.9 per cent).

Rembia Rubber—Mr. J. W. Laurie, director, has reduced his non-beneficial interest by 21,650 *shares.*

Alexander Howden Group— Mr. C. L. R. Hart, director, has *disposed* of 25,000 *ordinary* shares.

Plysu—Mr. C. S. J. Summerlin, *chairman*, has *sold* 50,000 ordinary shares.

RESULTS DUE NEXT WEEK

A mixed bag of interim results comes next week from the first companies to report in the new decade. The largest among them, **Electronic Rentals** and the **Howden Group**, both schedule their figures for Thursday.

Outside expectations are for half-way *pre-tax* profits of around £9m at Electronic Rentals, against £8.71m last year. This *points towards estimated full-*year profits of some £16m, against £14.7m last year.

The company is continuing to digest its £60m British Relay Wireless acquisition, added in *December, 1978. The last full-*year profit figure was struck after £3.45m was written-off against *costs of rationalising the new* subsidiary. Continuing expenses this year in the same area are *expected to be taken below the* line, so the full-year figure in reality reflects a slight deterioration *in profits.* In particular, damage is being done by interest on high borrowings.

Over the next year or two, ER will have to bear further heavy investment in new videotechnology products like videodiscs. But when that squeeze is over, its high-turnover town centre locations coupled with anticipated growing consumer *demand for video rental should* yield benefits outweighing today's problems.

Glasgow-based engineering company **Howden** looks set to better last year's boom performance. Analysts forecast half-year profits at around £3m, against last year's half-way £2.87m, itself 84 per cent up on the previous year.

Main strength in Howden's first six months is expected to be shown by South African operations. It has useful power station work, and can look to growing demand for its mining *equipment as the rising* bullion price re-opens more mines.

Howden's production of cooling systems for military and aerospace equipment was hit by Iran's cancellation of its Chieftain tank order. This area is now recovering, and the company can hope for porentially lucrative work on the American M48 tank, plus the Chieftains now being *taken up by Jordan.*

Expectations are for a full year pre-tax profit of £7.5m, against last year's £6.6. And in the longer term, Howden is well placed to win work on any British AGR programme.

Other figures on Thursday will come from **KCA International**, the oil services company headed by the swashbuckling Paul Bristol; **F. H. Tomkins**, Birmingham engineers specialising in buckle manufacture; and Cheshire truck-makers **Fodens**.

Following on Friday will be **Stavert Zigomala**, furniture wholesaler and investment company; and **B. Paradise**, clothing manufacturer and distributor.

Cavenham profit tops £27m in first 32 weeks

FOR the 32 weeks ended November 10, 1979, **Cavenham**, the food group headed by Sir James Goldsmith, reports sales up from £1.08bn to £1.37bn and pre-tax profits of £27.1m against £14.5m in the same period last year.

Figures are comparable to the *first 32 weeks of last year save* for the acquisition of Colonial Stores in August 1978. On a *like-for-like basis* and *excluding* effects of exchange fluctuations, pre-tax profit shows a satisfactory *advance, the directors say.*

Following the increase in profits from £27.8m to £32.8m for the year to March 31, Sir James said the current year had got off to a satisfactory start *with profits ahead of the same* period in the previous year.

Tax charge for the 32 weeks *more than doubled from £3.2m* to £7.3m. The group is a subsidiary of Generale Occidentale S.A.

Another member of the GO group, **Anglo-Continental Investment and Finance Co.**, reports operating *profits of* £3.29m for the six months ended September 30, 1979, and pre-tax profits of £1.83m.

In the first half of 1978-9 which ended on December 31, operating profits of £1.64m and pre-tax profits of £624,000 were reported.

Pre-tax profit is after central expenses of £1.45m against £1.48m. Tax takes £405,000 (£78,000) giving earnings per *share of 3.44p (2.21p).*

Attributable profit amounted to £1.19m (£764,000) after *minorities of £239,000 against* £62,000. Following the change in year-end, profits for the nine *months* to March 31 *this year* amounted to £2.5m.

As envisaged in the directors' report in the 1978/79 accounts, the proposed merger of the group's banking associate, *Banque Occidentale pour* l'Industrie et le Commerce with Societe Financiere et Industrielle *pour l'Expansion des Intreprises* has taken place and consequently the group's holding in the enlarged BOIC has fallen to about 19 per cent.

As a result the group has not *accounted for its share of BOIC's* profits for the half-year now being reported.

As on past occasions, extraordinary items have been excluded and will be accounted for at the year-end.

Hugh Routledge

Sir James Goldsmith, chairman of Cavenham.

Nash Securities better than forecast despite disruptions

PRE-TAX profits of £598,000 for the year ended September 30, 1979 are reported by **J. F. Nash Securities**, the motor, packaging and engineering group, compared with an expected £550,000 and with £374,000 achieved in 1977-78.

The directors estimate that profits were reduced by some £150,000 following disruption to trading caused by the engineering strike. Despite the disruption, turnover was on target, increasing by 23 per cent to £35.1m.

Stated earnings per share *improved from 4.6p to 9.9p* and as forecast, the final dividend is 6.5p lifting the total from 5.775p to 8.5p.

	Year 1978-79 £000	*1977-78 £000
Turnover	35,107	28,715
Profit before tax	598	374
Tax	306	192
Net profit	292	182
Minorities	47	31
Extraord. credit	42	16
Dividends	226	156
Retained	161	‡53

* Restated in accordance with the accounting policies now adopted by the group and are as set out in the *document containing the offer for the* minority interest in Reliant Motor. † Debit. ‡ Deficit.

Trading in the first quarter of the current year has been generally satisfactory, the directors add.

The balance sheet at Sept. 30, 1979 reflects the considerable strengthening of the group's position which has taken place within the past year, the Board added. Net tangible assets at that date amounted to 154p per share and borrowings represented less than 50 per cent of *shareholders' funds.*

Since the end of the financial year, the company has made an offer to acquire the minority 23 per cent interest in Reliant Motor Group.

A total of 625,963 new shares have been issued in connection with this offer and Nash now holds 96 per cent of Reliant. The offer is unconditional and remains open for further acceptances.

Turnbull Scott £5.24m ship disposal

Turnbull Scott Shipping, one of the few UK companies being aided by the Government's loan *moratoria, has sold its largest* ship, the 29,586 ton Trongate, for £5.24m. The buyers, an unnamed UK company, have agreed to demise charter the Trongate back to Turnbull Scott for 30 years.

The Trongate accounted for over 30 per cent of Turnbull Scott's £2.2m loss in the 14 months to March, 1979. The sale of the ship will involve a small book loss but it will lead to a significant reduction in gearing, depreciation and interest charges.

Turnbull Scott Shipping, which *is a subsidiary of Turnbull Scott* Holdings following the reorganisation earlier this year, has bor*rowings of around £14m* and shareholders' funds of £12.4m. By repaying the $9.5m loan on *the Trongate and the 10/64th* share of the $1.1m loan on the Venetia, a 71,723 ton bulk carrier, borrowings will be reduced by about £5m.

Turnbull Scott is one of a number of small tramp shipping companies that has been badly hit by the world shipping recession. It has lost money in each of the last three years and has been forced to cut its dividend. Mr. M. T. Turnbull, the chairman, described the sale of the Trongate as "*essentially* a financial deal." By eliminating U.S. dollar borrowings, the com*pany would no longer be affected* by adverse exchange rate movements and would be insulated *from high U.S. interest rates.*

The directors of Turnbull Scott Holdings consider the financial prospects of the group will benefit from the sale of the Trongate.

Cullen's chief cautious on prospects

In his interim report Mr. W. K. Rogers, chairman of Cullen's Stores, told shareholders that it is hoped that the final figures for the year to February 28, 1980, will show the same increase as in the first half. But with Minimum Lending Rate at 17 per cent it would be foolish to forecast how it will affect consumer spending over Christmas.

In addition, he says that the full year profits are bound to be affected by current wage settle*ments.*

As known, Cullen's half-year profits rose from £75,776 to *£350,422 including capital profits* sharply up from £5,229 to £206,907. The last full year produced a pre-tax profit of £269,107, after a surplus on disposal of properties amounting to £75,544.

Erith pays £552,000 for E. L. Hunt

Builders' merchant, **Erith and Co.**, has acquired **E. L. Hunt** of Ipswich for a consideration of £552,000.

Net tangible assets of Hunt at December 31, 1978, amounted to £327,000 and, on the basis of recent property revaluations, there is a surplus over book value of certain of Hunt's properties amounting to £380,000. In the year to December 31, 1978, losses before tax and appropriations amounted to £47,000 and further losses are expected in the current year.

YORKS. BISCUIT HAS 89% OF FURNISS

At the EGM of Furniss and Co. the resolution for a two-for-one scrip issue was passed. Yorkshire Biscuit, a subsidiary of Louis C. Edwards and Sons, which has made an offer for Furniss, now has acceptances amounting to 71,379 shares. This represents 89.2 per cent of the existing capital, and includes 15,617 shares (19.5 per cent) held by the directors who have irrevocably undertaken to accept.

The offer has been declared *unconditional in all respects and* will remain open until further notice.

GOODKIND BUYS LEEDS WAREHOUSE

W. Goodkind and Sons has *exchanged contracts for the pur*case of a warehouse at Westland Square, Leeds, for £45,000.

The property, which is freehold, comprises approximately 3,646 square feet and is let at a current rental of £3,100 per annum.

The consideration is beingg satisfied by the issue of £205,000 new ordinary of Goodkind.

Talbex looks for recovery

THE troubled Talbex Group could go "a long way" this year towards lifting profits back to *their 1978 level of £572,525*, chairman Mr. S. H. Lunt told the annual meeting yesterday. In the year to July, 1979, Talbex incurred a loss of £131,028 even after surpluses on property and share sales.

But Mr. Lunt cautioned that the recovery is subject to "no further heavy losses" by the Fair-Air subsidiaries—the future of which is under consideration —and "no serious deterioration in the trading climate."

Fair-Air's losses, which last year reached £218,000, have been staunched for the time being. It showed *undisclosed* profits in the four months to November.

However, Mr. Lunt said that it is impossible to give any more precise indication of this year's likely performance. Order books are still "very thin and uncertain," he said. The company is keeping an open mind about Fair-Air's long-term *future. If* its trading position deteriorates, sale or closure will be considered.

Fair-Air forms part of the Skelton Group of companies acquired by Talbex as part of its short-lived liaison with Bahamas-based Artoc Bank, which ended in May this year. *Talbex* paid around £1m in cash and shares for the companies. It has since received £350,000 *from Artoc against the losses.* It has also netted £98,000 on sale and leaseback of a Skelton *factory.*

Setting these two amounts against the purchase price, Mr. Lunt believes that Fair-Air could be sold yielding a net profit to Talbex. But the company has not yet negotiated with potential buyers.

The remainder of the Skelton division is back into profits after small losses in the first *four months of this year.*

Apart from loss-reduction, Talbex is looking for a strong *performance this year from its* industrial hygiene activities. There should also be some rise *in profits from Osmond Aerosol,* badly hit last time round by the transport strike.

Pitman well down at midway

A SHARP downturn in profits from £1.14m to £616,000 in the half year ended September 30, 1979, is reported by **Pitman**, the publishing, printing and colleges group.

However, the directors confidently expect second half profits to match those of last year although they anticipate that the year's profit will be lower—in 1978-79 second half profits were £392,000 giving a year-end total of £1.53m.

First half turnover was down from £13.45m to £12.86m. Profit is after interest of £431,000 *against £293,000 but before tax of £163,000 (£433,000).*

General Stockholders dividend prospects

A continued increase in the flow of dividends to shareholders *is forecast* by Mr. W. J. R. Govett, chairman of **The General Stockholders Investment Trust**, in his annual report, although he warns that the increase may be at a lower rate than in the past three years.

Small companies in the UK will find the going tough, he suggests, but he is confident that those in which the trust has invested will emerge from the recession with a prosperous future.

The policy of investing in companies with smaller capitalisations has not been pursued to such an extent that large ones with good growth prospects have *been sold, he adds, pointing out* that oil service company Schlumberger, the trust's largest hold*ing, provides a difficult yardstick* for the rest of the portfolio to match.

However, the more volatile share prices of smaller companies may provide buying opportunities for managers.

As reported on November 29, the dividend for the year to October 31, 1979, is lifted from 2.3p to 2.9p with a final of 1.9p, and there is an additional non-recurring payment of 0.5p. Revenue amounted to £503,618 *(£410,375)* before tax of £176,308 (£152,347).

The net asset value, taking prior charges at par, rose slightly to 151.8p (150.1p) despite the abolition of the investment currency premium, which accounted for 12.5 per cent of assets at October 31, 1978. Mr. Govett welcomes the abolition of the premium as a major event, *removing the inequalities in* investment which existed between the UK and overseas *markets.*

Net current assets of the trust at October 31, 1979, were up from £402,009 to £613,397, with assets at £1.41m (£672,945) and liabilities £793,864 (£270,936).

Meeting, London, EC, January 23 at 10.45 am.

Suspension for Wilson Walton

The shares of **Wilson Walton Engineering**, the North Sea construction group which crashed *into losses of £1.7m last year,* were suspended yesterday at the company's request.

The shares of the company, which was brought to the market three years ago by Energy Finance and General Trust, were suspended at 8p which compares with the year's high of 37p.

The loss in 1978, which followed three years of steadily rising profits reaching £1.18m in 1977, was after providing £1.79m against the book value of an outstanding claim and other losses incurred on the settlement of long term contracts. The auditors qualified the accounts in respect of this provision.

In his annual statement in October Mr. J. Wilson, chairman, reported that orders had been difficult to obtain in 1979. However, with new oilfields being developed he was hopeful of a substantial upturn in orders but it was unlikely that much would *arise during the rest of this year.* In view of this he could not hold out much hope for a profitable 1979.

BOOKS

My Book of the Year

Our reviewers choose the books published this year they have most enjoyed reading

● My first choice is Thomas Pakenham's **The Boer War** (Weidenfeld and Nicolson, £10.00). This is a splendid book which, though it has had a good reception, hasn't quite received the recognition it deserves. As I said in my review, it was good to see someone kind to Redvers Buller, but perhaps Pakenham was a shade too kind. The book is an achievement which will stay for a long time.

I would like to add a novel by a young writer which oughtn't to be allowed to sink into obscurity. This is **Beltran in Exile**, by William Watson (Chatto and Windus, £5.95). It *may mark the beginning of a* really good English historical *novelist.*

C. P. SNOW

● Two American novels stand out. Joseph Heller *produced* **Good as Gold** (Cape, £4.95). Bruce Gold, English professor hero, nurses a vitriolic obsession against Henry Kissinger, and flirts with the possibility of a job with a double-talking White House. And in order to write a book on the Jewish Experience, Gold has to investigate his own bruised Jewish psyche and his mad, suffocating, grotesque Jewish *family.* Range and riches; gifted lunacy; horrors and hilarities. A tour de force.

In **Cannibals and Missionaries** (Weidenfeld and Nicolson, £5.95) Mary McCarthy has produced an unforgettable novel of terrorism. Never one to shirk *hard subjects, she presents hi*-jackers and victims, the latter *richly divided into millionaire* art collectors and prominent *liberal protestors about the* Shah's regime. The psychology *of hi-jack and response* is imaginatively explored, and *more striking ironies come when* the terrorists want to change *hostages for Vermeers.* A complex questioning of values, in *particularly delicious prose.*

ISOBEL MURRAY

● I think I must place first of *the books I have particularly* enjoyed reading this year one that came out very recently: **Orwell — the Transformation** (Constable, £6.95). This is the second of the two volumes on Orwell's life and work which the two American authors, Peter Stansky and William Abrahams, have written, the earlier one, *The Unknown Orwell*, having come out seven years ago. The "transformation" is really Orwell's change of attitude towards the politics of the Left which was set in motion by his experiences in the Spanish Civil War and resulted first in that bitterly disillusioned book *Homage to Catalonia;* but the authors see it *as* paralleled by *his final dropping of his real* name, Eric Blair, and becoming his pseudonym, George Orwell. It is a wonderfully sympathetic and perceptive piece of work, and brings Orwell marvellously to *life.*

I have also much enjoyed the *latest volume of Virginia's* Woolf's Letters, **The Sickle Side** ***of the Moon*** *(The Hogarth Press,* £12.50). Her letters are always *a delight* to me, and those written to friends and younger *relations from her travels in this* volume are especially sparkling with *fun* and enjoyment.

JOHN LEHMANN

● "Enjoyed?" It is not the word *I am looking for.* But appalled, fascinated and certainly *riveted. I read Andrew Boyle's* **The Climate of Treason** *(Hutchinson,* £8.95) at a *single* sitting which, I suppose, means that I find it the most memorable of the books I have read in 1979.

I had not thought it possible that anyone could tell me anything new and interesting about the Burgess - Maclean - Philby affair, but in a one-man investigation, without support from the official organs of intelligence, with (as one guesses) the active non-co-operation of many who could have helped him, he has painted a picture of treason—and, more sinister—of cover-up almost without parallel in our history.

The outcome: the explosion of public fury; the identification of the Fourth Man at whom Boyle could only point an accusing finger, the demand for further investigations, more confessions. Boyle thinks there were perhaps 25 men in the conspiracy, some of them still in positions of authority. Names please! It is all quite natural, if rather late.

It would be more to the point to ask who are the "moles" today and where are they working. For "moles" there certainly are, although they may not be in the inner ring of the Whitehall Establishment. There are *other branches of the Establish*ment and, to reduce Britain to *the ranks of a third-class* industrial and military power it *is not necessary to turn the* Secret Service (" the Circus, as *Le Carré calls it) inside out.* "The permutations are infinite once you've brought off the basic lie," said George Smiley.

But Boyle's book is not remarkable only because of its consequences. It is the record of a painstaking investigation, told with scrupulous fairness and making a narrative of immense importance and—to me—of absorbing interest.

GEORGE MALCOLM THOMSON

● I nominate **The Dervish of Windsor Castle**, by Richard Dalby and Lory Adler (Bachman and Turner, £7.50). Behind this foolish title is a stout biography of Arminius Vambéry, an amazing man even by the standards of the last century. And about time too. As far as I know, there was nothing about him except what could be learnt from his own books. Born into a humble Jewish-Hungarian family, and determined to get on, he soon showed himself a prodigious linguist. *Going to Constantinople,* he learnt Turkish, Persian and *Arabic (among other languages)* and became an Islamic scholar *able to pass himself off as a* dervish. So disguised, he set off *for Central Asia, exploring* Khiva, Bokhara and Samarcand, a *unique witness of these* khanates in the final years of their independence.

His adventures made him a public figure. He hobnobbed with Emperors, Sultans and Shahs. Queen Victoria much admired him. Seeing in the British the only hope of stopping the Russian imperial drive to expansion, he became a glorified secret agent. Theodore Herzl, the theorist of Zionism, and a man driven by similar forces, crossed his path intriguingly. Finally he became a professor. More than anyone, he had influenced Western perceptions of Islam. One caution, however—the publishers of this fascinating book seem to want to keep all the copies to themselves, to judge by the difficulties I had obtaining it.

Not many poets make you see the world through their eyes, but Seamus Heaney is one. ***Field Work*** *(Faber, £3.50) is* moving, saddish, Irish, but with *the sense of coming upon* secrets which distinguish true *poetry.*

DAVID PRYCE-JONES

● Two theatre books of outstanding merit have turned up at the end of the year—Richard Fawkes's *life of* **Dion Boucicault** (Quartet, £10.95) and *Sir John Gielgud's life of him*self **(An Actor and His Time,** *Sidgwick and Jackson, £8.95).* What I read besides theatre *books is mostly high-quality* nonsense by writers like Philip K. Dick, *so my choice is bound* to come from the theatre, and I *think* the Gielgud book would have been sure of its place as *my top choice in any case.* "I am quite useless at almost everything except where the theatre is concerned," Sir John says blithely on his last page, but his account of his life, despite its air of improvisation, is splendid in all respects, and his publishers have made a handsome volume out of it with a profusion of pictures, some in colour.

B. A. YOUNG

● Wilfred Thesiger's **Desert, Marsh and Mountain** (Collins, £9.95), a handsome book with many spectacular photographs by the author, records the world of a nomad and the admirably austere life of a man man who has eluded restrictions and lived in complete freedom. This book, which masterfully evokes the bitter landscapes and convincingly defines his ambiguous attraction to savage tribes, establishes Thesiger as one of the greatest travellers and travel writers of the century.

His life has been dominated by a strange compulsion to go where *others have never been,* to know the space of empty *sands, to experience comradeship* and danger in forbidden *countries. His favourite books* were Kim and Lord Jim, and *like the heroes of these novels* he instinctively assumed the *rôle of white leader of a* traditional race. He tested him*self against* their *impossible* standards and, like T. E. *Lawrence whom he resembles* in style and manner, defined *and authenticated his experi*ence by hardship and torment.

The theme of the book, which vividly recaptures this harsh and exotic life, *is important.* For Thesiger was aware that the long *cherished traditions would* soon be discarded and that the "colour and variety that distinguished this scene would soon disappear from the land forever."

JEFFREY MEYERS

... in Wilfred Thesiger's "Desert, Marsh and Mountain" [illegible]

● I choose **Play Resumed**, by Neville Cardus (Souvenir Press, £6.50), even if it is for cricketers only. But these essays are a pleasure second only to the collapse of Kerry Packer. Cardus is more than a window on to the cricketing world of Tyldesley and Geary, the value of Woodfull as a late night wicket to England and the inspired bowling by Tate in the Tests of 1930. He is a superb judge, a critic who has to be trusted for the view that cricket has never been so fine as between 1902 and 1932. To suit it, his style has the flourish of a 1930s back-swing. The *metaphors and similes are as* leisured as a leg-glide. I am not alone *in a search over many* years for the original copy of *these Manchester Guardian* pieces. We have them at last: *Cardus on the ideal Test team,* on Bradman in the '30s, *Hammond* and Hobbs in full flow. There is no better bedside reading. I wish that somebody would match it to the films of the games, evoked by the prince of writers from the press-box.

ROBIN LANE FOX

● I was fascinated by Raymond Williams's **Politics and Letters** (New Left Books, £12.75). It consists of a series of formal interviews with Raymond Williams conducted by the New Left Review which have been organised so as to give the impression of an extended discussion. The interviewers concentrate on Professor Williams's life, books, political beliefs, and, more generally, his ideas about British society during the past thirty years. The question and answer technique is engrossing, and the political assumptions and jargon, on both sides, are often *very revealing in ways* they were hardly intended to be. *For anybody interested in* the relationship between litera*ture and society in the nine*teenth and twentieth centuries *this book is essential reading.* It is an infuriating, challenging, *curiously* impressive book that I know I will return to again and again.

PETER KEATING

● *I seem to have mixed my* categories this year. I enjoyed *Nadine Gordimer's* **Burger's Daughter** (Jonathan Cape £5.95) *for the sharp and incisive light* it threw on left-radical politics in South Africa and for the unusual portrait of white-black relations within this context. On the other hand, I read M. R. D. Foot and J. M. Langley on **MI 9** (Bodley Head, £6.95) with a sense of pure pleasure as one good story followed another and the larger-than-life-characters emerged from the excellent study of this small, secret wartime department. Pure escapism in every sense of the word.

ZARA STEINER

● My choice is Magdalen Goffin's **Maria Pasqua** (Oxford University Press, £4.95), a biography of the author's grandmother, an Italian of amazing beauty famous as the child model of many famous painters in the eighteen sixties, sold by her father to a rich Englishwoman for the price of a vineyard. She married into the Norfolk squirearchy and lived unhappily ever after, yearning for the Italy and the father she had lost, and never seeing either again. Her strange *story is told* with a rich sympathy for the main characters (the difficult husband, the wrecked wife) and a strong sense of the *continuity* of life in particular families and milieux.

Maria Pasqua's son died only *5 years ago in a large house* where nothing had been dis*turbed for decades; her son-in*-law still lives. From records, *direct memories and a memoir* by her mother (much praised by Evelyn Waugh), Mrs. Goffin has made a work of great beauty *and interest,* intensely sad but artistically vigorous: the moral of which seems to be that we tamper at our peril with the basic affections, and can stunt, in a sense kill, the heart by the sort of desertion Maria Pasqua had to bear: sold, as she was, out of happy penury into plushy, eccentric slavery.

ISABEL QUIGLY

● I chose Richard Buckle's ***Diaghilev*** *(Weidenfeld and* Nicolson, £12.50): it tells its *tale drily; all the same, it is an* epic, marvellously colourful, *copiously detailed story*—not only a life of the man himself but a chronicle of the artistic revolutions of which he was *master strategist. The facts are* tidily marshalled—no student of the ballet, opera, theatre, or visual arts of the period, of Stravinsky, Picasso, Massine, and a hundred other members of the "supporting cast," can now afford to be without the product of such Herculean labours. I found the results made endlessly informative, compulsively enjoyable reading.

MAX LOPPERT

● The year in which one dis*covered Paul Scott's The Raj* Quartet is not a good one in *which to have to recommend* anything else. One had thought *the days were over* when it was possible to come across another *English novelist on a par with* Anthony Powell. Yet Ronald *Merrick is another Widmerpool* and Sarah Layton is one's own *particular idea of a femme* fatale.

It would be interesting to know what Hugh Gaitskell, the *son of a member of the Indian* Civil Service and addicted to women, would have made of her. Philip Williams's **Hugh Gaitskell** (Jonathan Cape £15.00) is reticent on private life in general, *but it is still the poli*tical book of the year.

The book has been criticised for being too long and certainly *it seems* to me that the judgment is flawed, being altogether *too favourable* to the man. What is so rare about it is its scope. *Seldom can a post-war British* politician have been treated in *this way, though other political* leaders have written at greater *length about themselves.*

Already there has been a *polemical response from* Michael Foot, the biographer of Bevan, who has promised to reply in more detail later. That is an excellent development. The level of political writing in recent years had sunk below the level of British politics. Books like this remind us that the politics of this country are better than we sometimes think.

MALCOLM RUTHERFORD

● I greatly enjoyed **The Right Stuff** *(Jonathan Cape, £5.95).* Tom Wolfe built up a reputa*tion as a flashy writer who bent* fact as near fiction as it would *go. In the past I've had my* anxieties about the effect of the *style on the meaning.* Were we expected to believe every exploding word, capital and exclamation mark? (To say the least.) Or was it all for effect? The truth like poor old Beppo the clown, lying somewhere under grease-paint and luminous nose. Now in this book, the background story to the creation of those silver-suited space-age heroes, the Astronauts, style and subject have closed in together with sensational and convincing effect.

Tom *Wolfe clearly decided not* to throw away the years of *research for a* "Wham, bam, thank you ma'am!" His sen*sentences still build up to apro*priate rocket-like effect but the *solid information is there*—over four hundred pages of it.

Main point from it all: the astronauts were top-grade pilots *who found themselves taking* over the job first successfully *completed by a monkey* "The ape didn't seem to have a nerve *in his body.* He was lying up there in his cubicle as if he lived there. For *the ape every hour* of the delay was like a holiday. No lights! No Zaps! Peace . . . bliss!" Tom Wolfe gets under the skin of his subjects, man, monkey or President of the United States.

RACHEL BILLINGTON

● My choice is **Catalogue of the Universe**, by Paul Murdin, David Allen and David Malin (Cambridge U.P., £9.50). If "it's difficult to see past the end of *your nose if it's always to the* grindstone" (to quote a current *Nat West ad.) then this is the* book for you. A beautiful, humbling book that explores with marvellous pictures (optical and radio, colour and black and white) the awesome creatures of the cosmos—the quasars, black holes, white dwarfs and red giants, nebulae, galactic spirals and clusters, neturon stars, inter-galactic gas clouds and solar planets that make up our seething universe (are there others?).

With an authoritative if slightly pedestrian text setting out the current state of astronomical knowledge—or guesswork—about *these objects or* classes of objects, the book *brings to tired minds bom*barded by MLR, mortgage rates *and next year's budgets* the soothing perspective of our own *insignificance in time and space.*

REX WINSBURY

● I thorouhgly enjoyed **Overruled on Welfare** by Ralph Harris and Arthur Seldon. (Institute of Economic Affairs, £3.00). This radical and free thinking book is at the same time both philosophical and practical. It deals with the great confrontation between, on the one hand, the attempt to enforce equality through monopoly, and, on the other, competitive improvement through individual choice. But it *also signs* the royal road for a massive reduction in public *expenditure, not a mere year's* pause in its inexorable increase.

ANTHONY FLEW

● Although I haven't read as much new fiction in 1979 as in previous years, my choice for Book of the Year is a novel. For anyone wanting to find a way through the labyrinth of Irish nationalist politics, Thomas Gallagher's **The Year of the French** (Macmillan, £6.95) is required reading. It is also a dazzling and exciting narrative of a fascinating period in Irish history. I came to it late in the year — my interest in it was inspired by Conor Cruise O'Brien over dinner at Cheltenham Literature Festival.

But I must give a mention to the other book which has given *me most pleasure, the new* edition of **The Oxford Dictionary of Quotations** *(Oxford University Press,* £12.50). Its *delights are many; modern* authors such as Mandy Rice-*Davies, and an extended section* on Shakespeare, including, sur*prisingly for the first time,* "Ill met by moonlight." It is a book to keep you awake at night, and some of the quotations are obscure enough to use as your own and add to the enjoyment of your friends at dinner parties.

ALAN FORREST

● *In a year distinguished by* the appearance of major works *from Naipaul, White, Styron,* McCarthy and Heller, I must choose Nadine Gordimer's astonishing new novel, **Burger's Daughter.** (Cape £5.95.) I have always thought Gordimer the finest writer of short stories around, but until now, the reverberating precision of the stories *has never* quite been matched in her previous novels, brilliant *though they are.* But this book is a triumph: a difficult, com*plex exploration of the moral* and intellectual problems of the *daughter of a South African* Communist lawyer, a martyr in the cause of justice. Rosa twists and turns on the hook of her hereditary involvement in the most serious political struggle of this century. Gordimer does not flinch from laying bare the implications for white liberals irrevocably involved, nor does she dodge the accommodations which must be made. It is an incomparable picture of the dangerously seductive attractions of the easy camaraderie of the underground, set against the inescapable verities of violence and death, which can never be eased by political action alone. Immensely complex, not an easy read, but certainly one of the most important and devastating novels this year.

MARY HOPE

● Nothing in the publishing world quite measures up to the biennial treat of a Monty *Python book and this year,* just to spoil us, there are two MP *books in one,* ***Monty Python and The Holy Grail (Book).*** *(Eyre Methuen £4.50).* You may start the new blockbuster *from either end, for one half* gives you the complete script *of the Life of Brian* and the other (turning the book upside down) "The Monty Python Scrapbook." The first is already enshrined in celluloid. The second is a gloriously rococo rag-bag of surreal bits-and-pieces that is like manna from Heaven for those starving in the desert of a Python-less TV era.

For further measure the book boasts a *sans-pareil* array of Terry Gilliam illustrations, including double-page repros of the Biblical-masonic credit designs from Life of Brian, and also that deathless item of down-under doggerel, The Bruce's Philosopher's Song.

NIGEL ANDREWS

● *My choice is Naomi James's* **At One With The Sea—Alone** ***around the world*** *(Hutchinson/* Stanley Paul, £5.95, 185 pages) *which I read with mounting* exhilaration. She has captured *the essential spirit of the* voyage by recording directly *into her log-book events which* led to her feeling of despair *and jubilation.* Some, it seems, are hastily scribbled between jobs on deck and their brevity and plainness speak for themselves. One entry on February 27, 1978 reads "I capsized at 05.00 hours this morning," but less than a day later and at the end of her list of priorities for continuing the marathon she writes: "Fix the shrouds. Yippee, we're off!"

KATE MORRISON

● The dance books of the year have, for too great a part, been tiresome: regurgitated pap for the fans, packaged with varying expensiveness; books for the young which combine inaccuracy with breathless charm; and a couple of examples of the higher American tosh which read as if inexpertly *translated* from the Armenian. Unreviewable, unremarkable *all.* About Patricia McAndrew's magnificent *translation of* Bournonville's **My Theatre Life** I hope *to write at length later.* Richard Buckle's **Diaghilev** *(Weidenfeld: £12.50) is my* choice: not by default—though *I wish it had been twice as long,* in order that Buckle could have allowed his own style, and his natural sympathy for his subject, to take wing—but because it provides more of the facts and more of the references, and more of the setting for the life of that great man, than anyone since Haskell in his biography published in 1935.

CLEMENT CRISP

● Barbara Tuchman's huge history of Europe in the 14th century, **A Distant Mirror** (Macmillan, £9.95) is impressive on four counts: it vividly evokes a poorly documented age in terms of the common man as well as the aristocrat; it offers a *Francophile view most unusual* for habitual consumers of *English versions of history;* it makes sense of a dreadfully con*fused period in which chivalry* and "romaunce" mixed with the *plague and the 100 Years War;* and as the title rightly implies *it produces evidence of similari*ties between the 14th and 20th centuries which are both startling and ominous.

The wittiest new strip cartoon for years is Posy Simmonds's "The Silent Three" and her first collection in **Mrs. Weber's Diary** (Cape, £3.95) makes a timely and hilarious social document, *anatomising* the agonised existence in a gentrified NW5 *Victorian terrace* of a polytechnic lecturer, his guilt-*wracked wife, and* their awful children. Street parties, *sociology, and publishers' rejec*tion slips loom large in their *lives.*

CHRIS DUNKLEY

The hideous-looking Matty rescued as a *child from the holo*caust of the London Blitz emerges as one of the most engaging figures of modern fiction. I read **Darkness Visible** (Faber £4.95), the novel by William Golding, which *Matty* dominates, at a gulp. Like Matty, whose responses beneath the shockingly abnormal appearance are amazingly selfless, the book is full of outrageous contrasts. It is English—regional with roots that reach back to George Eliot, but is also *full of* disturbing ideas about the hidden spiritual nature of human beings, with their immense power over good or evil, in a way that most novels in this kind of setting are not. Golding's strange fictional cocktail proved to have too strong a kick for the palettes of most *reviewers* who tend to be straight mild and bitter men. Do not let that put you off.

In the field of non-fiction, I *greatly* enjoyed David Williams's composite portrait of *the Benson family,* **Genesis and Exodus** (Hamish Hamilton, £8.95). E. W. Benson *was* Archbishop of Canterbury at the end of the Victorian period; he and his wife Mary, sister of Henry Sidgwick the philosopher, had six children three of whom achieved eminence as writers, academics and clerics. Their personalities, so deftly dissected by Williams show human beings in a closed society in England to be every bit as complex as Golding suggests. It is the Archbishop, formerly the first Headmaster of Wellington, who has the lion's share of the book at the expense of his brilliant sons. No doubt they would have expected that but this reader at least was left asking for more.

ANTHONY CURTIS

● I have no hesitation in choosing **Arabia Through The Looking Glass** by Jonathan *Raban (Collins, £6.95).* This is not one of the great travel *books about Arabia, if only* because his one-time visit was *crammed* into too short a span, and Mr. Raban evidently had *initial difficulty in finding* a point of entry into the curious *societies of the Gulf states.* But it gets better and better as it *goes on, and becomes a really* enjoyable read; it starts to take *off when he reaches the Yemen,* but whether this says something about Mr. Raban's learning curve, or about the Yemen or both, is hard to say. Mr. Raban writes remarkably well, and some of his scenes and characters are not merely amusing, but memorable.

IAN DAVIDSON

● The book I most enjoyed *reading this year was Gordon* Rattray Taylor's **The Natural History** ***of Mind*** *(Secker and* Warburg, £5.90). He is an uneven although always interesting and stimulating writer; but here it seems to me he has done his best work yet. The book, besides helping to put the final feel of doom on the already discredited idiocy of behaviourism — a not only simple-minded but cruel view of human nature—sets out to summarise all the important work which has been done on the human brain in this century. It performs its task magnificently; it simplifies, but never over-simplifies. It triumphantly proves its author's case that the brain is by no means a machine, but rather one of the most complex structures in the universe. It will do everyone good to read it especially as it steers an exemplary course between the *foolishly "occult"* and the brutishly scientistic.

MARTIN SEYMOUR-SMITH

● My choice must be **Edwardian Inventions 1901-1905** by Rodney Dale and Joan Gray (Star Books, paperback, £2.95). Anyone with a technical bent, in whatever direction, must fall for this "extraordinary extravaganza of Edwardian ingenuity," as the authors' gaily sub-title their book. They have taken one of the most rudely mechanical forms of prose and distilled from a period of prolific outpouring a work of sheer pleasure, at once amusing, arresting and instructive.

DAVID FISHLOCK

The new V. S. Naipaul novel, **A Bend in the River** (André Deutsch, £5.50) I found gripping and impressive. It gets the atmosphere of African turmoil and gloom just right. The human beings—African, European and Indian—are brilliantly delineated. *The* creation of Salim, the narrator, is a triumph.

Selected speeches of the *eminent rarely make for memor*able reading. Far too many *among them suffer from thought* dehydration. It is therefore a *pleasure and a relief* to come across Shridath Ramphal's **One World to Share** (Hutchison Benham, £10.50). The secretary-general of the Commonwealth provides provocative and stimulating reading on a number of pressing problems facing mankind. Excellent introduction by Barbara Ward.

Finally, E. M. Forster: **A Human Exploration** edited by G. K. Das and J. D. Beer (Macmillans, £15.00). These centenary essays bring out afresh Forster's uniqueness both as a man and writer. Major achievement to have persuaded May Buckingham to contribute her short item.

K. NATWAR SINGH

● I choose **Belshazzar** by Chaim Bermant (Allen and Unwin, £3.25). This story of a cat is written in the first person. Far be it from me to suggest that Chaim Bermant is other than a human being but his prose has caught the feline psyche perfectly.

Although in his own eyes, Belshazzar is a rather special cat —not to say regal in his disdain *for other creatures, especially* humans — he is a domestic *moggy from a suburban semi,* and is called Belshazzar for the *simple reason that his father* was called Nebuchadnezzar. *Father was a "somewhat* promiscuous tom, with doubtful *habits who, while still in the* prime of life, was rendered *inarticulate* by an *articulated* lorry."

The illustrations by Meg Rutherford are full of character *and give an added dimension* to the story. Altogether this is a *delightful book to curl up with* on a holiday afternoon.

CHRISTINE BURTON

Poetry makes a comeback

BY MARTIN SEYMOUR-SMITH

Thom Gunn has made, in **Selected Poems 1950-1975** (Faber and Faber, hardback £4.50, paperback £1.95, 131 pages), a good representative selection from the volumes he has published since *Fighting Terms*, written while he was still a Cambridge undergraduate. This was not the best first book of the century—not by a long chalk—but it was one of the liveliest. Since then he has settled in America (where his poetry is, however, less highly regarded than it is here), and has vastly extended the range of his subject matter, which includes science fiction, the remote past, pop music, motorcyclist tearaways, gay bars, and much else.

Gunn's poetry springs from two contrasting sources: one is literary and traditional, the other is anti-literary and (now) somewhat outdated—the world of beats and drop-outs, as expressed not so much in the poetry of Allen Ginsberg as, surprisingly, in the noises made by the late Elvis Presley. But even if comparatively few readers can share a liking for the things and habits Gunn likes, equally few can deny his intelligence and his fine sense of craft. He went through a lean, over-experimental period—but, as this volume shows, has won through to a new coherence. He has achieved this by sticking to his assumption that poetry should not be an abstract affair, but one involving the heart.

Gunn is a more modest poet than his Cambridge contemporary Ted Hughes, who is now writing so much that even his admirers are wearying of his self-conscious images cruelty and schoolboyish violence. **Moortown** (Faber and Faber, hardback £5.25, paperback £1.95, 171 pages) opens with a "verse journal of his experiences farming in Devon." There are three more sequences, "Prometheus on his Crag," "Earth-numb" and "Adam and the Sacred Nine." Hughes, as even critics partial to him admit, lacks technical finesse. Every poet is tempted to try to go beyond his limitations, but Hughes, in trying to be philosophical, has been tempted for far too long. He has now become merely repetitive and dull.

Charles Causley is less ambitious and more gifted. **Collected Poems 1951-1975** (Macmillan, paperback £3.95, 289 pages) is a volume of which he can be proud. His poetry eschews, for the most part, the intensely personal (here it contrasts with Gunn's), but Causley gains strong emotional effects in his narrative ballads, and is never afraid of feeling. He is a deservedly popular poet, whose work offers a strong demonstration that the "well-made poem" may be on its way back.

Elizabeth Jennings offers a **Selected Poems** (Carcanet Press, paperback £3.95, 122 pages) and a new collection, **Moments of Grace** (Carcanet Press, £2.95, 62 pages). The selection shows the high points in the work of a quiet and now unfairly neglected traditionalist; the new poems explore her recently developed vein of absolute simplicity with varying success.

Craig Raine is one of the most highly praised of younger poets. One incautious student of fashion has asserted that he is "the founding father of a new school of poets." I hope not. **A Martian Sends a Postcard Home** (Oxford University Press, paperback £2.95, 46 pages) is certainly clever but one finds oneself wondering why the author should choose the form of verse in which to write. He is not a notably gifted technician, and his ingenuity is rendered less admirable by his lack of demonstrative feeling. He has not yet earned, is not at all authoritative enough to employ successfully, an emotionless manner. *The Onion Memory*, his first book was a more attractive collection.

John Fuller's **Lies and Secrets** (Secker and Warburg, £3.50, 70 pages) contains more of this skilful writer's light, moralistic neo-Augustan verse. Fuller is refreshing in that he does not pretend to have anything important to say: the reader is left free to be entertained if he enjoys learned allusion passably well constructed verse, and ingenious parodies of—or satires upon?—the habit of feeling. "The Most Difficult Position" is about the famous chess match between Staunton and Morphy, and will appeal to those interested in chess.

The great Russian poet Anna Akhmatova is well served by her English translator D. M. Thomas in **Way of All the Earth** (Secker and Warburg, £3.90, 96 pages). These are sensible translations, well-annotated; they succeed in recreating the tragic and yet poetically always confident voice of a woman who suffered more than most from the inhumanities of the Soviet government. These are among the best, the most authoritative, of recent translations from the Russian (some of which have been very bad), and are from one of the most powerful of the 20th century Russian poets.

R. D. Laing is a well known psychiatric theorist who sometimes takes to verse. He believes, among other things, that the "fruits of turmoil should not be underrated." His **Sonnets** (Michael Joseph, £2.95, 63 pages) are so awful as to be engagingly so: but perhaps they should not be underrated ('My friend insists he needs a bayonet's point pressing in between his ribs to make him come alive. It justifies him, whets . . .'). For myself, I hope the doctor's patients get a better deal than the English language does in this expensive, utterly sincere little book.

Linda Pastan: needs watching

Linda Pastan is a distinguished American poet whose work has not been published here before. Her **Selected Poems** (John Murray, £3.95) shows a poet of intellectual precision who wants watching.

THE BOAT INDUSTRY

FINANCIAL TIMES REPORT

After a 25-year boom, the tide is turning for Britain's boat industry, which is now facing a decline in exports. Companies are having to adapt quickly to changing market prospects, as ROY HODSON reports.

Battle to win export orders

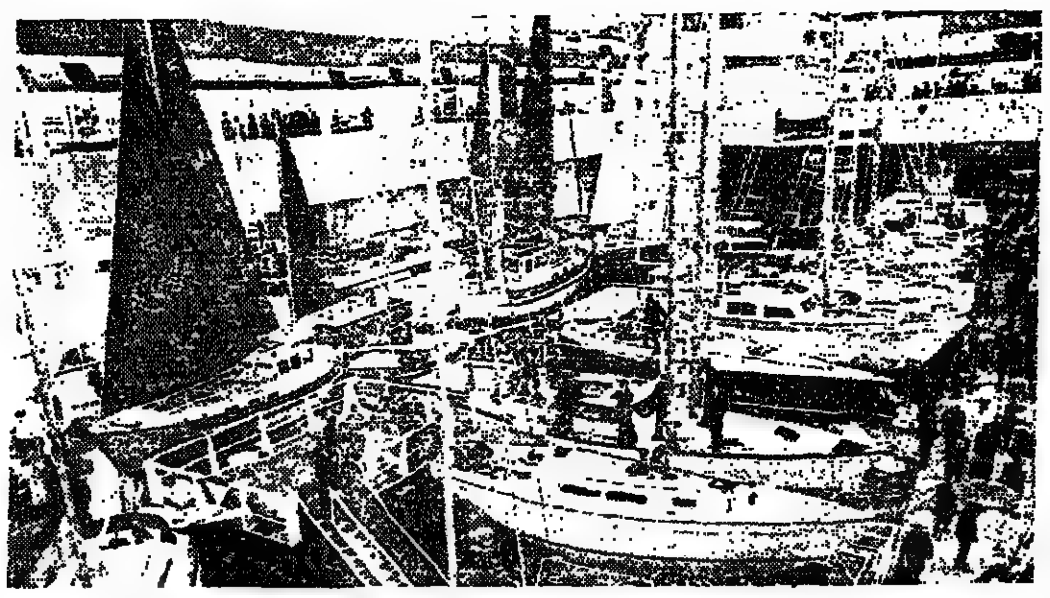
THE BOAT industry is in the process of making a deep re-appraisal of its structure and its future. Companies are accepting that time is not on their side and that much work still has to be done in re-shaping the industry into more efficient groupings, properly capitalised and with exciting product lines, if it is to face the 1980s with confidence.

This last year has seen the process gather momentum, with some of the bigger companies growing even larger, with take-overs and mergers, while a number of the smaller companies—some of them proud names, synonymous with the growth of sailing—have disappeared as separate entities.

The industry's overall turnover for 1978-79, according to the Ship and Boat Builders' National Federation, exceeded £300m which was an improvement of more than 10 per cent in monetary terms upon the previous year. But that means, of course, that the industry has suffered some erosion of its sales, in real terms.

Throughout the boating boom of the last 25 years, the British industry has done brilliantly well overseas establishing a prime international reputation for its yachts and its equipment —"but now the tide is turning," commented one company director, summing up with a suitably nautical metaphor. The industry's exports have actually fallen, in monetary terms in the last two years from £105m to £98m.

There are several reasons



Many new designs by boat manufacturers will be featured at the next Boat Show (January 3-13) at London's Earls Court. Above: A section of the previous show

Because of the world financial climate, overseas markets are less buoyant. Competition from the French and Scandinavian industries, together with the hardening of the pound has made exporting a tougher game. North America is proving a much more difficult market than ever before.

However, the market prospects, although dismal, are not disastrous, and those companies that have a whole-hearted determination to remain in the forefront of the boating industry are pressing ahead with new investment plans and new ranges of boats and equipment

Westerly Marine is one of the biggest European companies producing a full range of cruising and racing yachts. Westerly's cruisers have a justifiably high reputation worldwide. But the company has now embarked upon a major replacement programme for virtually the entire range. The target is to keep ahead of the market with fresh and original designs.

Trapper Yachts of Poole has reacted to the pressure by investing in new facilities on the Hamble River to develop its sales and marketing side in that corner of Hampshire which has become the centre of the British industry.

In the electronics field, APT, part of the Unitec Group, is expanding and has bought Brookes and Gatehouse the instrument company.

News is likely soon of a major merger involving a quoted company which will create one of the world's largest producers in its sector of the marine industry.

My own spot survey of the industry suggests that fortunes are fluctuating wildly with some companies hard-pressed to keep up with demand and others contemplating almost empty order books.

I discussed this with Mr. Jack Bethell, who, with Mr. Gerry Hume, founded the successful sailmaking company, Arun Sails, eight years ago. He has been surprised to find his orders this winter running at double the levels of a year ago. In part, that is thought to be because Arun supplies sails to a number of boat-builders with product ranges which are selling well.

Some companies are attributing many of their home market problems to the shortage of moorings. The position is very difficult on the South Coast where waiting lists of five years or more on the most popular rivers, estuaries, and harbours, are common. But there is still plenty of room to expand fleets in other sailing centres around Britain. A side effect of the moorings squeeze, however, is that it is making it more difficult to sell second-hand boats. And in turn, the sluggish second-hand market is affecting the new boats market.

Several manufacturers are trying to persuade yachtsmen to solve the moorings problem by buying trailable boats with retractable keels.

There are designs now which make comfortable family cruisers and yet are easily towed to-and-from the coast and can be launched within a matter of minutes. Coastal boat parks for trailable yachts look like becoming much more common during the next few years.

Clearly, the boating industry is undergoing a shake-out. Perhaps it will be the most serious since the mass production of cruising and racing yachts began. But boating shows no signs of diminishing in popularity as a leisure activity.

Indeed, judging by the furious activity at thousands of winter courses up and down the country as students of all ages study for the Royal Yachting Association/Department of Trade and Industry competence examinations, there is still a rush to go down to the sea in ships. The companies that weather the current crisis can look forward to better times ahead.

ANATOMY OF THE INDUSTRY

(Turnover of principal market sectors, £m).

	1978-79	1977-78
Boats: sailing, power & dinghies		
Home sales	73	55.1
Export sales	33	60.5
Engines: inboard & outboard		
Home sales	44	29.2
Export sales	14	11.4
Chandlery & equipment		
Home sales	73	45.8
Export sales	48	25.5

Source: Ship and Boat Builders' National Federation

Buyers becoming highly selective

TO OFFER advice on choosing a boat is a high risk occupation. The likes and dislikes of potential owners are only to be compared with their idiosyncracies in choosing their marriage partners.

But it is clear that owners and potential owners are becoming much more discerning about the sort of designs they want. A thoroughly bad boat—and I can remember a few—stands virtually no chance of a profitable sales run nowadays.

The concept of the modern yacht is currently moving in two different directions, each of which is dictated quite properly by fitness for purpose. On the one hand the racing yacht has become steadily lighter in construction and more difficult to sail, in the pursuit of extra speed. It is possible that the trend will be at least checked by the experience of the Fastnet Race in which 15 lives were lost and 24 yachts were abandoned or sank in a severe storm in August this year.

The single most important design trend in cruising yachts is the movement towards shallow draft vessels with the ability to spend the night on beaches while crusing, and to be kept on shallow moorings which dry out at low water.

The pressure from the public for boats that will "dry-out" has been intensified by the shortage of deep-water moorings along the South coast where the greater part of British yachting sales are still concentrated.

Shallow draft cruising yacht design is itself moving ahead on two fronts. A permanent place in the market seems assured for well-designed catamarans and trimarans which are properly planned for family cruising. The image that multi-hull yachts must automatically be fast and hairy to sail is fading fast as their virtues as slower but comfortable cruisers are appreciated.

The latest development however is the renaissance of the centre-board yacht among British manufacturers. There is nothing new about centre-boards as a means of having retractable keels and ballast. But they used to be poorly engineered and give trouble so they fell out of fashion. Now a growing number of boat builders are bringing out cruising yachts with retractable keels which work easily and efficiently often aided by hydraulics. Trapper Yachts and Northshore Yacht Yards have introduced interesting new designs recently.

Alternative

The choice of boat is perhaps most difficult for the buyer entering the lower end of the market for the first time. Dinghies are now so expensive for their size when purchased new that it is wise to consider the alternative of purchasing a second-hand cabin cruising yacht or a day-sailer. It might not be such fun to sail, but there will be more room for the family and opportunities to spend weekends cruising away from base.

The high cost of fuel is forcing a number of motor boat owners to switch to the motor-sailer type of vessel which is reasonably economical under engine and can make use of a fair wind.

Advances in technology

NEXT YEAR looks like being one in which the technology of micro-processors and novel electronics circuitry will win sufficient acceptance among amateur sailors to start to accompany most of them — cruising and racing people — to sea.

It is arguable whether sailing a boat actually becomes more enjoyable, easier, or safer, when skipper and crew are surrounded by wavering dials and digital read-outs. Nevertheless, electronic "goodies" are proving to have a hypnotic attraction for yachtsmen.

Some owners will spend several thousands of pounds equipping a boat with those extras to tell water depth, wind and speed through the water, and to give navigational fixes.

The Hunter Sonata 7, a family cruising yacht in all respects—even, in this case, with washing flying from the rigging

Range

Manufacturers are extending their product ranges faster than ever before and there is fierce competition to bring out new designs. Many of their new ideas will be seen at the Earls Court show (January 3-13). But, equally, as many ideas again are still under development and will be finding their way on to the market during the coming sailing season. A boat-owner who is unsure whether or not to buy a piece of electronics equipment may find that it will pay to wait, since the range of equipment available to him is expanding and improving very quickly.

Two leading companies in the British marine electronics field, Electronics Laboratories (a Brocks Group subsidiary), and Brookes and Gatehouse, are both employing specialist teams of micro-processor design experts to develop new equipment ranges.

Neither company, however, is prepared to replace existing marine electronics units with the new technology until the new designs have been thoroughly proved.

Marine Laboratories will be showing a synthesised radio direction-finder called Seabeam, which will enable yachtsmen to pick up the marine radio beacons and obtain bearings from them without knowledge of the Morse Code.

The Ladyline group is backing the development of a TV screen display depth recorder which will memorise the sea bed over which the yacht has passed and also be able to provide a trace for a distance of up to several miles back along the course. We have moved a long way since the lead-line was first ousted by the echo sounder.

The lessons of the Fastnet tragedy is expected to prompt a good deal of design re-thinking among manufacturers of safety equipment, including life-rafts, life-lines, and flares. Unfortunately, little of the new gear will be ready in time for the show. Again it may pay to wait before placing orders, or at least to extract a statement from the supplying company about imminent changes in its product range.

The strong international competition in the diesel engine business should be welcomed by yachtsmen. A bigger range of first-class engines than ever before will be on offer at Earls Court. Now that marine diesel is some 50p a gallon cheaper than petrol, a number of owners of existing boats are converting to diesel engines. And the diesel is becoming virtually standard equipment in new boats.

On the inland waterways, the latest trend is to switch from the internal combustion engine in favour of battery/electric propulsion. Emsworth Shipyard has done a lot of work upon the system and one of its boats recently cruised for 800 miles on the Thames and inland waterways, topping up its batteries from shore supplies overnight.

هكذا من الأصل

THE WEEK'S COMPANY NEWS

Take-over bids and deals

Engineering concern **Wheway Watson** announced an agreed £2.33m bid for the loss-making Midlands forger **Joseph Shakespeare**. Shakespeare shareholders are offered 95 Wheway ordinary shares and £16 worth of loan notes for every 100 of their own shares. The offer values Shakespeare's ordinary shares at 31.2p against the 16½p market price when dealings were suspended on December 13, and 26p when dealings were resumed on Christmas Eve.

Dealings in the shares of **William Mowat** were suspended at 12p. Mowat's Board says that it will clarify the reasons for the suspension as soon as possible. The company began the year with a change of control when Jenth, a Jersey Investment company, acquired 61.67 per cent and subsequently sold its stake to various interests and the largest shareholder now, with 2.5 per cent, is the chairman.

Booker McConnell has entered into discussions with International Stores, the UK food distribution subsidiary of BAT Industries, with a view to buying Kearley and Tonge, International's food wholesaling business.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Antofag. Rail¶¶	£41*	£42	£36	2.63	Turismo Inmob.	10/1
Cableform	90*	90	72††	4.33	Tricentrol	—
CGSB	43§§	41	36††	1.74	Manor Natl.	31/12
Dawnay Day	60*	59	47	16.6	Hume Hldgs.	7/1
EMI¶¶	136	130	95	151.2	Thorn Elect.	—
Empire Plants.	24*	24½	19½	0.6	Caparo Invs.	—
FPA Const.¶¶	14	15	18	1.11	Heywood Williams	—
Harrott	80*	80	38	0.38	Knndy. Smale	—
Highland Distills.	130*	146	102	79.83	Hiram Walker-Gooderham	—
Nationwide Leisure	6*§	6½	9	0.66	Rantlodge	—
Sandeman (G.)	150*	146	85	16.98	Seagram	—
Scottish Homes	48*	45	43	3.36	Barratt Dev.	—
Shakespeare (J.)	30§§	27	15½†	2.33	Wheyway Watson	—
Spillers¶¶	43½	44½	39½	64.04	Dalgety	—
Vita Tex	£12*†	117	71	4.03	British Vita	—
Wallis Fashion	35*	33	38	2.50	Sears Hldgs.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 28/12/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Norrington (H.)	Sept.	165	(115)	2.1	(1.5)	0.68	(0.44)
Seafield Gentex	Sept.	45	(49)L	2.1	(—)	—	(—)
Vectis Stone	Sept.	676	(539)	4.1	(3.1)	1.45	(0.83)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Amalgamated Ind.	June	711	(810)	—	(—)
Cableform	Sept.	173	(171)	—	(—)
Wharf Mill	Sept.	153L	(41)L	—	(0.6)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. L Loss.

APPOINTMENTS

Morgan Grenfell posts

From January 1, the following have been appointed directors of MORGAN GRENFELL AND CO.: Mr. M. P. Douglas, Mr. A. Hobler, Mr. N. H. Gold and Mr. D. W. Wells. Other appointments include Mr. D. Hoblyn appointed a director of Morgan Grenfell International; and Mr. M. C. Evans, Mr. M. P. Knight and Mr. W. G. M. Michie appointed senior assistant directors of Morgan Grenfell and Co.

*

Mr. Nigel B. Brown has been appointed chief executive of the commercial division of BURNETT AND HALLAMSHIRE HOLDINGS and a director of UK Petroleum Products, Hallam Polymers and Engineering and Hallam Commercials.

*

Mr. G. G. Luffrum has been appointed an assistant secretary of THE LIFE OFFICES' ASSOCIATION from January 1.

*

Mr. Peter A. Magowan, who on December 30 replaces retiring Mr. William S. Mitchell as chief executive officer and Board chairman of SAFEWAY STORES INC., U.S., has been appointed a member of the executive committee. Mr. Mitchell continues as a director and chairman of the executive committee. Mr. Harry D. Sunderland, vice president and manager of the corporate real estate law and finance division, has been designated senior vice president-finance, and an executive officer. Mr. Patrick S. Totman, who replaces Mr. Sunderland as manager of real estate law and finance, was elected a vice president.

Mr. John D. Lyding, newly-appointed manager of the Safeway brands buying supply division, was elected a vice president. Vice president Mr. Sterling P. Smith, manager of the Safeway brands buying division, retires after 33 years with the company.

Mr. Robert J. Van Gemert, vice president, general counsel and secretary of the company, has been designated a senior vice president. Mr. Neils V. Lawson, vice president of the corporate management information and services group, becomes an executive officer.

Mr. Clifford L. Gant, controller; Mr. Roland Frederick, manager of the Brookside supply division; Mr. Frank D. Srubar, manager of the meat operations department; and Mr. Ronald F. Zachary, corporate personnel services division manager, have been elected vice presidents.

*

Mr. W. F. Rentzmann has been appointed a manager of BANK EUROPAEISCHER GENOSSENSCHAFTSBANKEN (BEG), the Zurich-based subsidiary of various European banking co-operatives.

*

Mr. E. Costomeni has been appointed a manager in Geneva of BANK ROHNER AG, St. Gall.

*

The Board of LONDON AND CONTINENTAL BANKERS has elected its deputy chairman, Mr. Helmut Guthardt, to become chairman on April 1, upon the retirement of Lord Shawcross, who has served as chairman for the past five years. Mr. Guthardt is vice chairman of the Board of managing directors of DG Bank Deutsche Genossenschaftsbank, Frankfurt-am-Main, which has a holding of 36.2 per cent in LCB, the remaining shares being held by 10 other major western European banks.

*

At FS ASSURANCE on January 1, Mr. Ian M. Campbell becomes pensions secretary (he was previously assistant actuary), and Mr. Colin W. McLean investment secretary.

*

At his own request, Mr. Donald A. Gould, deputy chairman of the BRITANNIA BUILDING SOCIETY, is to relinquish his office from December 31. Mr. Gould, a former chairman of the Building Societies Association, has been deputy chairman of the Britannia since May, 1974. He will continue as a main Board director. Mr. P. A. Strutt has been elected to succeed Mr. Gould from January 1. Mr. Strutt's other appointments include chairman and managing director, Tollemache and Cobbold Breweries, and main Board director, Ellerman Lines.

*

Mr. John White has been appointed deputy chairman and managing director of sterling money brokers BUTLER TILL from January 1, 1980. At the same time Mr. Brian Deeble becomes deputy chairman and joint managing director of foreign exchange and currency deposit brokers GUY BUTLER (INTERNATIONAL) while Mr. Geoffrey Gascoine becomes joint managing director of that company.

Mr. David Pippard and Mr. Gerry Wilton become directors of Butler Till, Mr. Patrick Chrimes is appointed finance director, and Mr. Charles Dobson and Mr. Michael Young become assistant directors. At Guy Butler (International), Mr. Chrimes becomes finance director and Mr. Michael G. Young director for South East Asia and Australia. Mr. Peter Clayton, chairman and managing director of Butler Till and Guy Butler, is relinquishing the role of managing director.

*

CAPE INDUSTRIES have made the following subsidiary board appointments from January 1: Mr. A. W. Fay to be chairman of Don International and Don International SA (Belgium) in succession to Mr. F. P. Parkes who remains a non-executive director of both companies. Dr. R. A. Paine to be chairman of Cape Insulation in succession to Mr. W. R. Doughty who remains a non-executive director.

*

CEDAR INVESTMENT TRUST (member of the Touche, Remnant Management Group) has appointed Mr. Paul Cater Hyde-Thomson, chairman of Ibstock Johnsen as a director from January 1.

*

Mr. B. C. Owens, founder and chairman of UNOCHROME INTERNATIONAL and of its subsidiary Silverthorne Group is to retire from the chairmanship and from the boards of both companies before the annual meeting in February, 1980, to concentrate on private interests.

Mr. R. A. Le Page, appointed managing director last January, is to be elected chairman of Unochrome International and Silverthorne Group. Mr. J. Gilbert, is elected financial director of Unochrome International from January 1.

*

Mr. R. E. Lucas has joined the board of JOSEPH LUCAS LIMITED—the executive board of the company. Mr. Lucas, no relation to the founder, joined Lucas CAV of Acton from English Electric as a student apprentice in 1959.

*

Dr. Robert Saul Bluglass, consultant in forensic psychiatry to the West Midlands Regional Health Authority and the Home Office, has been appointed to an honorary Chair of Forensic Psychiatry in the UNIVERSITY OF BIRMINGHAM. He had been post-graduate clinical tutor in this subject since 1967 and is a recognised specialist tutor of the Royal College of Psychiatrists.

*

HYDRAULIC DRILLING EQUIPMENT (subsidiary of Humphreys and Glasgow) has appointed Mr. R. G. Kersey as managing director and chief executive. Mr. L. H. Green, who previously held the position, has been appointed managing director and chief executive of Humphreys and Glasgow Services, based in London.

*

Viscount Slim has been appointed the vice-chairman of the ARAB BRITISH CHAMBER OF COMMERCE. The following were elected as members of the Board: Sheikh Abdul Aziz Al-Sagr (president of the Kuwait Chamber of Commerce and Industry); Sheikh Ali Sultan (president of the Chamber of Commerce and Industry of the Sultanate of Oman); Lord Chelwood, Sir Harold Beeley, and Sir Richard Beaumont.

*

At MANSFIELD BREWERY COMPANY, Mr. Richard F. Chadburn has been appointed a non-executive director. He is the son of the chairman of Mansfield Brewery Company, Mr. Robin W. Chadburn.

*

STAVELEY INDUSTRIES has appointed Mr. Alan Styles as chief executive of machine tool and marketing companies from January 1.

*

Mr. T. McMillan, director and deputy group chief executive (UK business), National Westminster Bank, has been appointed a director and deputy chairman of LOMBARD NORTH CENTRAL, the banking group's finance house subsidiary, with effect from January 1. Mr. R. G. Crotty, group secretary, will also become a director of Lombard North Central from the same date.

*

Mr. Roland King, partner of Blanchard-Chauveau and Associes, correspondent of Price Waterhouse and Company, has been elected honorary treasurer of the BRITISH CHAMBER OF COMMERCE FRANCE in succession to Mr. John Marshal.

*

Sir Charles Troughton, chairman of the BRITISH COUNCIL, has accepted an invitation by the Board to continue as chairman for a further two years.

Changes at Tudor Glass

Following the move of the architectural division of Tudor Safety Glass Company to Sittingbourne, Kent, the company, part of the Royal Doulton Group, has been divided into two companies with separate management boards.

From January 1 the architectural division will become DOULTON LAMINATED GLASS. The board appointments are: Mr. D. H. Lane, chairman; Mr. G. Barrett, managing director; Mr. A. Newing, works director, and Mr. K. Glozier, marketing director. The automotive division at Queenborough, becomes TUDOR SAFETY GLASS, specialising in the manufacture of laminated replacement windscreens. The board will consist of Mr. Lane, chairman; Mr. K. Bell, managing director; Mr. J. Heath, works director; Mr. J. Goymer, technical director; Mr. J. Hill, commercial director, and Mr. P. McAree, sales director.

*

Mr. Bill Bannard, head of ASTON MARTIN'S service department, has been appointed acting chief executive for the company. Mr. John Symonds, who became chief executive in October, has been involved in a car accident and will be away from the factory until the New Year.

*

MASSACHUSETTS PORT AUTHORITY has appointed Mr. Frank J. Roovers as director general for Europe and Africa and Mr. Philippe T. Linders as marketing manager, based at Borgerhout, Belgium.

*

The BARTLETT GROUP, Broadway Hall, Horsforth, Leeds, insurance brokers, has made the following appointments to the boards of group companies: Bartlett and Co. (Northern)—Mr. Robin Lock and Mr. Peter Hattersley; Bartlett and Co. (Life and Pensions) — Mr. David Buckle; Bartlett Newbridge Credit—Mr. Les Poulter.

*

At THE HONGKONG AND SHANGHAI BANKING CORPORATION, Mr. N. A. S. Mills, who is retiring, has been succeeded by Mr. A. C. R. Chappell as London manager.

*

Mr. H. A. Lucas has been appointed group joint managing director of CAWDAW INDUSTRIAL HOLDINGS from January 2.

*

Mr. V. P. Fleming has been elected a director of the NORTH AMERICAN TRUST COMPANY. Mr. H. S. Spens did not seek re-election. Mr. Fleming has also been appointed to the board of the First Scottish American Trust Company following the resignation of Mr. Spens.

*

Mr. Edwin John Morgan becomes a Civil Service Commissioner from January 2. He will succeed Mr. Sidney David Light as under-secretary in general charge of recruitment policy and in local charge of the CIVIL SERVICE COMMISSION'S Basingstoke office.

*

Mr. Glyn Lloyd, becomes a part-time member of the BRITISH TOURIST AUTHORITY for a period of two years from January 1. Viscount Garnock is re-appointed for a further period of three years from the same date.

Scottish Trust to run Iona

THE ISLAND of Iona is, after all, to be administered for the nation by the National Trust for Scotland, it was announced yesterday.

Iona, the cradle of Christianity for Scotland and the North of England and still a place of pilgrimage for thousands of people, was bought for £1.5m six months ago by the Fraser Foundation in memory of the late Lord Fraser of Allander, founder of the House of Fraser stores group.

There was intense commercial interest in the island and bids were received from all over the world. But the Fraser Foundation wanted Iona to go to the nation.

The sellers, the trustees of the tenth Duke of Argyll, stipulated that it must not be administered by the National Trust, since this would be against the wishes of the islanders, who feared that it might become a living museum.

The Government said it would accept and administer the island, but only if no other suitable body could be found.

Living standard

A spokesman for the Argyll Estates said: "The Scottish Office was not able to find any other agency able to handle the island properly. The present Duke has been in touch with the islanders personally to explain it to them."

The National Trust for Scotland said that it would declare Iona "inalienable," meaning that it could not be offered for sale again without the permission of Parliament.

"As on Fair Isle, which the trust also administers, the object will be to ensure that the island enjoys a standard of living comparable with that of similar rural communities on the mainland."

The Fraser Foundation has endowed the island with £150,000 to pay for maintenance costs. It was also announced yesterday that the appeal for £500,000 by the trustees of the Iona Cathedral and other ancient monuments has passed the halfway mark and work will begin soon to make the buildings weather-proof.

No charge for credit clients

Co-operative Bank customers who keep their current accounts in credit will still not be liable to bank charges next year, said Mr. Lewis Lee, chief general manager.

Last year the Co-op stopped giving interest on current accounts that were in credit.

Transport's energy needs increasing

BY LYNTON McLAIN

ENERGY CONSUMPTION by all forms of transport in Britain rose by a third in 1968-1978 — over six times faster than total energy consumption —according to Government figures published yesterday.

Total energy consumption fell by almost a tenth after the Middle East war of 1973, twice the fall in the transport sector.

Transport was also quicker to recover from rapidly rising fuel prices. By 1977 the consumption of energy by transport had fully recovered from the effects of the 1973 crisis. In the British economy as a whole, however, total consumption of energy last year was still below the peak in 1973.

In a statistical review of transport since 1968, the Transport Department shows other effects of the Middle East war.

Road goods vehicles caried 12 per cent less tonnage last year than 10 years earlier.

Nevertheless, the total volume of activity by commercial vehicles, measured in tonne-kilometres, rose 25 per cent over the period, reflecting a steady rise in the average length of haul by road.

Lorries carried 83 per cent by weight of all freight last year, a 2 per centage points fall from 1968.

Rail carried less than a tenth of all freight, a fall of 1 percentage point from 1968.

Pipelines and coastal shipping increased their shares of goods transport to 4½ per cent and 3 per cent respectively from 1.6 per cent and 2.6 per cent.

For the first time since 1971 own-account operations carried more goods than the public haulage contractors, as more industrial and commercial companies developed their own transport fleets.

The heaviest goods vehicles—the 98,000 over 28 tonnes gross weight—account for less than 6 per cent of goods vehicles, but they moved 61 per cent of freight measured by tonne-kilometres.

Passenger travel in Britain by all means rose by a quarter in the period to 1978. The share of travel by private transport rose from 74 to 81 per cent; the proportion of bus and coach travel fell from 15 per cent to 11 per cent and rail travel fell 2 percentage points to 7 per cent.

Bicycles accounted for 1 per cent, and air travel accounted for ½ per cent of the total passenger-kilometres over the 10-year period.

"Transport Statistics Great Britain 1968-1978," HMSO £7 net.

Challenge on 'black economy'

SIR WILLIAM PILE, chairman of the Board of Inland Revenue, has been challenged by the Association of Independent Businesses to justify or withdraw his statement that 7.5 per cent of the gross domestic product is untaxed, largely because of fiddling by smaller businesses and the self-employed.

Mr. Philip Bayliss, chairman of the association's economic committee has written to Sir William, telling him that he should explain how he came to the conclusions he gave the House of Commons expenditure committee in March, or withdraw the statement.

"Nothing will encourage the growth of evasion more than the conviction that lots of others are getting away with it."

LRC aims for more inflation in the balloon business

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

BY THE END of Twelfth Night, over 200m or so balloons will have been inflated and burst as part of the Christmas and New Year celebrations. Balloons of all shapes, sizes, and colours are a traditional part of the seasonal festivities, and about seven out of every ten balloons are bought at Christmas.

But the balloon industry, which has retail sales of about £4m a year, is keen to change the British consumers' balloon buying habits. A particular impetus for change is coming from LRC Products, the consumer goods division of LRC International. LRC Products recently took over the sales and marketing responsibility for Lewis Knight, another LRC subsidiary, which is the major balloon manufacturer in the UK.

LRC Products thus dominates the UK market for balloons and, although reluctant to reveal its market share, is understood to have at least three-quarters of the market.

Rather than putting all its balloons in one basket at Christmas, LRC is endeavouring to stimulate more sales throughout the rest of the year. It sees the potential for the balloon extending from mainly a Christmas decoration to being regarded as a toy and decoration bought throughout the year.

In Europe, for example, balloons are bought almost exclusively through toy shops throughout the year. In the UK, however, balloons are usually sold through small confectioners, tobacconists, and newsagents (the CTN trade) or grocery stores, rather than solely through toy shops.

The problem with changing the image of balloons is that they are such a high volume, low value product. They retail for about 2p each which, when VAT and retailers' profit margins are taken into account, means that each balloon has to cost the manufacturer only a fraction of a penny to produce. Meanwhile, foreign producers with low labour costs, especially from Mexico, are waiting in the wings to supply the UK market if British-produced balloons cost retailers more.

In an attempt to keep costs low, LRC produces up to 8m balloons a week at its Lydney, Gloucestershire, plant on highly automated equipment. In the past, balloon manufacturing was largely considered to be a "cottage" industry, with many of the production processes carried out by hand.

At LRC's factory, however, the production lines are in continuous operation. The main line contains several hundred porcelain forms, each shaped like a deflated balloon, which are positioned on a moving conveyor belt.

LRC makes over 16 different shapes and sizes under the Ariel brand name. About 15 per cent of its output is printed either with designs for sale as novelty balloons or with specially-commissioned advertising slogans. The design or message is printed on an inflated balloon, which is then dried by warm air to restore its original shape.

LRC also makes another rubber product, Marigold house gloves, at its Lydney factory. But its best-known product, Durex contraceptives, are made at another plant.

LRC's plans for giving the balloon a new image in the 1980s are basically two-fold. Firstly, it believes that greater character merchandising — such as using Walt Disney characters printed on balloons —can add much to the appeal for children. In addition, differently shaped balloons with names such as "Kenky Clown" or "Katy Pillar" are made specifically as children's toys.

BOAT SHOW PREVIEW

BY ROY HODSON

Arming against a sea of troubles

STORM CONES have been hoisted over Britain's boat industry just before the 26th International Boat Show at Earls Court (January 3 to 13). A new independent survey* distributed by the Design Council warns that the industry could be destroyed by foreign competition in the same way as the British motor cycle industry was.

On the face of things the boat industry has just had its best year ever. The Ship and Boat Builders National Federation will report at Earls Court a record annual turnover of more than £300m. But the industry has suffered a 5 per cent fall in export sales to below £100m a year after nearly 30 years of uninterrupted success with sales abroad. And in the home market it is facing intense competition from imported boats, engines, and equipment.

The survey, by Mr. Michael O'Connor of the London Business School, states that the British small boat industry is fragmented with too many types of product and too many producers, and is thus highly vulnerable to foreign industries determined to compete on design and price.

Freddie Mansfield

Lymington Marina

The report warns that the industry, because of its present structure of numerous small companies, is vulnerable to overseas companies establishing manufacturing bases in Britain.

"The industry is fragmented and is thus vulnerable to high volume and low cost producers who could design for a capital intensive cost reduction process and pass on the benefits to the consumer in low prices. This would in turn bring more people into boating. It is likely to begin in the small boat or mass market segments."

Drawing the parallel with the decline of the motor cycle industry the report states, "Fragmented industries by their nature are vulnerable. They fail to have any coordinated presence to respond to external competition. That is borne out by the collapse of the British motor-cycle industry in the 1960s.

"Japanese companies competing on design and price expanded a whole new market segment in low-cost 50cc motor cycles before moving up-market segment by segment.

"In boat-building a similar situation can be averted if the industry places a greater emphasis upon design, particularly of small boats for the mass market."

The biggest British builder of yachts, Westerly Marine, is replacing its entire model range with newly-designed boats in a bid to keep its market lead. Mr. David Sanders, chairman, said the strategy, although expensive in design and retooling costs, had been forced upon the company if it was to reach its sales target of 1,100 boats in 1980 and remain one of the big three European producers.

But few companies can afford to be as adventurous as Westerly and the industry is bracing itself for a series of mergers and closures over the coming months.

Boat-builders and equipment manufacturers surveyed by the SBBNF foresee the industry running into a crisis. Nearly 80 per cent are short of orders. Nearly 60 per cent are less optimistic than they were a year ago about their ability to export. They blame the strength of the pound, lack of orders, increases in raw materials costs, high import tariffs imposed by many foreign countries, increasing competition, and freight costs.

A "Try-A-Boat" campaign is to be launched by the SBBNF in a bid to encourage more families to take to the water. Waterways weekends will be staged with music, food and wine provided, and a choice of up to 30 boats to be sailed.

Meanwhile, the federation is seeking ways to make additional moorings facilities available on Britain's crowded South Coast.

* Management and Design in British Small Boat Industry. By Michael O'Connor, London Business School. Available from The Design Council.

WORLD STOCK MARKETS

NEW YORK

Early Wall St. little changed

PRICES CONTINUED to move within a very narrow range in moderate trading on Wall Street yesterday.

By 1 pm the Dow Jones Industrial Average was off 0.94 to 839.16, reducing its gain on the holiday shortened week to 0.25, while the NYSE All Common Index, at $61.95, was up 4 cents on the day at 22 cents on the week. Declines led advances by less than 40 shares on a volume of about 24.5m (22.49m) shares.

Gold issues were mixed as the price of Gold came off its record high. ASA eased $½ to $38½ and Homestake $⅝ to $47⅞, while Benquet held unchanged at $5⅞. But Campbell Redlake rose $¼ to $27⅝.

Leesona gained $1¼ to $27⅝—it said Walco National of New York now holds nearly 22 per cent of its outstanding capital stock and has paid up to $30 a share.

Caterpillar Tractor shed $½ to $54¼—some analysts expect the company to have a fourth-quarter loss due to a long strike which has ended.

Bache picked up $⅞ to $10⅜—it confirmed that N. Bunker Hunt and W. Herbert Hunt have purchased about 3 per cent of the company's shares.

Among Oils, Getty Oil gained $1½ to $74½ and Amerada Hess $2⅞ to $49.

THE AMERICAN SE Market Value Index moved up 2.13 to 247.01, making an advance of 4.57 over four days. Trading volume expanded 349,000 shares to 4.10m shares compared with 1 pm Thursday.

Most active Dome Petroleum rose $1½ to $46⅞—Thursday night Dome said it knew of no reason for the activity in its stock which then closed up $2½ to $45⅞.

Second most active issue, General Exploration, gained $⅜ to $5.

Closing prices for North America were not available for this edition.

Canada

Markets were broadly higher in active trading around noon yesterday, when the Toronto Composite Index approached a record level as it rose 6.7 to 1,805.3.

The Oil and Gas Index moved up 27.3 to 3775.2, Metals and Minerals 12.7 to 1742.5, Golds 11.7 to 2537.7, Utilities 0.13 to 246.89 and Banks 1.06 to 311.65. But Papers shed 0.34 to 165.67.

Among Oils, Gulf Canada rose $1 to $119¼. Asamera Oil $⅝ to $24⅞ and BP Canada $½ to $41. Dome Petroleum were active and climbed $1¾ to $54½.

Gold issues continued to advance.

Tokyo

Market closed sharply higher in fairly active trading with active selective buying interest spread over a wide front.

Resources-Related stocks, including Petroleums and Trading Houses, rose sharply, while Non-Ferrous Metals were firm on the rise in Overseas Gold Market prices.

Foods, Pharmaceuticals and Constructions also improved.

Honda Motor, which earlier rose on its technical tie-up with BL, turned lower on profit taking.

Hong Kong

Firmer in fairly active trading, with the Hang Seng Index 12.48 higher at 852.10.

Interest initially centred on Wheelock Marden, up 20 cents to SHK4.07, Hsin Chong, up 32½ cents to SHK3.125, and Paul Y, up 15 cents to SHK2.50, but buying interest later spread across the board, before late profit-taking pared the gains slightly.

Paris

French shares fell in calm trading, influenced by the situation in Afghanistan and Iran.

Buying to take advantage of Monory Law tax benefits again delayed opening quotes but was not sufficient to counter the downward trend.

Much attention was again centred on the Gold Market.

Buildings, Public Works and Electricals led the fall.

Among Foreign stocks, U.S. and Gold Mines weakened, Germans and Dutch were steady, Oils irregular.

Germany

Leading shares mixed after trading quietly.

In Motors, BMW rose DM 3.50 to 166. Dresdner put on DM 1.50 to 193 in Banks.

Elsewhere, Schering shed DM 3 to 202 but RWE moved up DM 2.50 to 186. Chemicals were narrowly mixed, while Stores were easier.

On the Domestic Bond Market the new Federal Loan on the first day of its subscription period was quoted up to one point off its 99 per cent issue price. Other Public Authority Loans were narrowly mixed.

The Bundesbank sold a nominal DM 2.9m of stock in Open-Market operations.

Australia

Prices closed higher, led by Energy and Gold issues in thin trading.

BHP, which announced a A$240m construction and exploration programme for 1980, jumped 30 cents to A$11.20.

Coal Miner Thiess rose 6 cents to A$7, White Industries 50 cents to A$6.50 amid takeover speculation, Utah 5 cents to A$3.90, while Peko Wallsend gained 60 cents to A$8.40.

Among Gold issues, GMK moved up 15 cents to A$3.70 and Poseidon 10 cents to A$2.25.

Diamond Explorer Ashton put on 5 cents to A$3.05.

Switzerland

Firmer on last trading day of the year in moderate turnover, with quieter Gold and Foreign Exchange markets inspiring some light buying interest.

Banks and Financials improved. Among Insurances, small gains and losses were about balanced.

Ateliers Vevey continued firmer in Industrials on speculative demand.

Domestic and Foreign Bonds edged higher.

Dollar stocks traded close to overnight New York closing levels. In South African Mines, Anglo Gold again firmer. Dutch issues were slightly higher, while Germans were narrowly irregular.

Milan

Prices held firm in extremely slow trading. Only a few technical operations were carried out.

Activity was slowed down by expectations of an increase in prices of Oil Products, which will be announced over the weekend, and by the many holidays interfering with medium-term operations, which kept away several brokers.

Amsterdam

Mainly higher on the last trading day this year.

NMB rose Fl 4 to 251 following its announcement of a higher interim and an expected higher final dividend. Other Banks improved in line.

Trading in shares and bonds of Van Gelder was suspended.

Insurances were among lower issues.

State Loans were mixed.

Brussels

Belgian prices were mixed in quiet trading.

Acec, which announced a preliminary accord to cut the working week, held unchanged, while Delhaize also showed no change on an announcement that its profits had been maintained in the first eleven months 1979.

In Foreign stocks, Germans, Canadians and Dutch were mixed, U.S. and French lower, while UK were little changed. Gold Mines were slightly lower.

Johannesburg

Gold shares eased from the highs in late afternoon trading but still closed generally above Thursday's finish.

Durban Deep rose 100 cents to R24.

Mining Financials were quietly harder. Platinums firmed in line with Free Market prices, Copper closed quietly mixed.

Industrials hardened ahead of the long New Year weekend.

Indices

NEW YORK—DOW JONES

	Dec. 27	Dec. 26	Dec. 24	Dec. 21	Dec. 20	Dec. 19	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
◆Industr'ls	840.10	839.14	833.16	838.91	843.34	838.91	897.61 (5/10)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	75.98	75.78	74.44	74.81	75.14	75.00	86.10 (15/8)	75.78 (26/12)	—	—
Transport	252.97	252.67	253.34	254.65	256.04	255.60	271.77 (15/8)	205.78 (27/2)	278.88 (7/2/69)	12.26 (8/7/32)
Utilities	107.61	107.66	107.61	107.34	108.58	109.17	109.74 (17/12)	98.24 (24/10)	163.32 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's	31,840	25,040	18,180	38,290	40,460	41,990	—	—	—	—

◆Day's high 842.85 low 834.47

Ind. div. yield %	Dec. 21	Dec. 14	Dec. 7	Year ago (approx)
	6.03	6.00	6.07	6.00

STANDARD AND POORS

	Dec. 27	Dec. 26	Dec. 24	Dec. 21	Dec. 20	Dec. 19	1979 High	1979 Low	Since Compil't'n High	Since Compil't'n Low
‡Indust'ls	121.04	120.83	120.70	120.69	121.39	121.35	124.49 (15/10)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	107.96	107.78	107.66	107.52	108.26	108.20	111.27 (5/10)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Dec. 26	Dec. 19	Dec. 12	Year ago (approx)
Ind. div. yield %	5.27	5.24	5.25	5.21
Ind. P/E Ratio	7.67	7.70	7.65	8.55
Lon. Gov. Bond Yield	10.17	10.09	10.21	8.95

N.Y.S.E. ALL COMMON

Dec. 27	Dec. 26	Dec. 24	Dec. 21	1979 High	1979 Low
61.91	61.82	71.74	61.73	62.88 (21/9)	53.88 (27/3)

Rises and Falls	Dec. 27	Dec. 26	Dec. 24
Issues Traded	1,978	1,919	1,877
Rises	700	732	697
Falls	811	709	727
Unchanged	467	478	453
New Highs	52	44	34
New Lows	64	45	31

MONTREAL

	Dec. 27	Dec. 26	Dec. 24	Dec. 21	1979 High	1979 Low
Industrial	330.38	(c)	328.98	329.22	332.12 (5/10)	219.15 (2/1)
Combined	311.89	(c)	310.46	310.12	314.56 (5/10)	225.80 (2/1)
TORONTO Composite	1798.6	(c)	1787.3	1785.4	1804.71 (5/10)	1515.6 (2/1)

	Dec. 28	Dec. 27	Dec. 26	Dec. 24	1979 High	1979 Low
AUSTRALIA Sydney All Ord. (1/1/80)	740.00	727.62	(c)	722.24	740.00 (28/12)	546.72 (2/1)
Metals & Minls (1/1/80)	4555.80	4386.59	(c)	4334.15	4555.80 (28/12)	2887.34 (2/1)
AUSTRIA Credit Aktien (2/1/62)	68.50	68.10	(c)	(c)	88.50 (28/12)	81.53 (2/8)
BELGIUM Belgian SE (31/12/63)	102.82	103.27	(c)	102.77	108.47 (5/10)	96.80 (8/1)
DENMARK Copenhagen SE (1/1/73)	87.57	87.01	(c)	(c)	97.46 (25/7)	88.49 (14/12)
FRANCE CAC General (29/12/61)	102.70	103.8	104.2	(c)	113.1 (3/10)	82.4 (10/2)
Ind Tendance (29/12/78)	108.10	109.2	110.5	(c)	122.8 (4/10)	92.7 (22/2)
GERMANY FAZ-Aktien (31/12/58)	227.27	225.7	(c)	(c)	266.80 (16/1)	223.75 (7/11)
Commerzbank (Dec. 1953)	715.78	713.6	(c)	(c)	859.60 (16/1)	704.50 (7/11)
HOLLAND ANP-CBS General (1970)	84.80	84.2	(c)	(c)	94.2 (24/1)	82.8 (13/12)
ANP-CBS Indust. (1970)	68.40	67.8	(c)	(c)	[illegible]	65.7 (13/12)
HONG KONG Hang Seng Bank (31/7/64)	852.10	839.62	(c)	840.29	852.10 (28/12)	493.83 (2/1)
ITALY Banca Comm. Ital (1972)	81.86	81.85	(c)	(c)	95.85 (4/10)	68.38 (2/1)
JAPAN Dow Average (16/5/49)	6569.73	6528.85	6531.28	6522.87	6590.69 (28/9)	5925.87 (10/4)
Tokyo New SE (4/1/68)	459.61	456.74	456.51	[illegible]	465.24 (28/9)	435.15 (15/7)
NORWAY Oslo SE (1/1/72)	134.55	137.45	(c)	(c)	142.22 (13/12)	74.46 (16/1)
SINGAPORE Straits Times (1966)	454.12	451.01	450.89	451.54	454.12 (28/12)	346.34 (25/2)
SOUTH AFRICA Gold (1958)	—	529.0	(c)	(c)	528.0 (27/12)	228.40 (17/4)
Industrial (1958)	—	448.2	(c)	(c)	448.2 (27/12)	270.50 (2/1)
SPAIN Madrid SE (29/12/78)	83.58	82.68	81.91	(c)	111.86 (8/5)	80.60 (20/12)
SWEDEN Jacobson & P. (1/1/58)	351.85	350.77	(c)	(c)	401.34 (6/2)	331.37 (24/8)
SWITZERLAND Swiss Bank Cp. (31/12/58)	302.70	301.6	(c)	(c)	329.10 (2/5)	294.00 (3/1)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Sterling Drug	769,900	20⅛	−⅛	Williams Co.	278,800	30⅞	+⅜
Petrolane	501,000	28⅝	+⅛	Intl. Tel. & Tel.	252,200	25½	+⅛
Marley	363,400	22	−1	IBM	250,900	64¾	—
Caesars World	351,100	18½	−¾	Genl. Pub. Util.	241,900	7¼	—
Howard Johnson	283,500	24⅝	+1⅛	Benguet	257,700	5⅝	+⅛

INTERNATIONAL COMPANIES and FINANCE

More Swiss franc issues likely by World Bank

By John Wicks in Zurich

THE WORLD BANK may be about to place additional Swiss franc paper with central banks, according to the Swiss National Bank chairman Dr. Fritz Leutwiler. It was up to the World Bank when it made use of the possibility of carrying out new transactions of this kind, he said in an interview with the Zurich weekly Weltwoche. He assumed this would be in the spring.

Dr. Leutwiler said that although Switzerland did not want to make its franc into a reserve currency, it could not close its eyes to the fact that this had been the case for some time. The World Bank transactions meant that Switzerland could control the demand for Swiss francs arising from reserve diversification.

The condition is laid down that the World Bank should obtain the necessary Swiss francs from the Swiss National Bank and not on the foreign exchange market.

The national bank, he said, was considering the issue at some later date and "at similar conditions" of paper of its own to foreign central banks. This would obviate such demand being met outside Swiss control and at an unsuitable juncture on the free market, as well as allowing the national bank to influence the resultant money creation.

Dr. Leutwiler said that he did not exclude the possibility of other development banks carrying out similar Swiss franc issues. "We should be well-disposed to consider any such applications," he added.

With regard to Swiss links to the Saudi Arabian Monetary Agency (SAMA), Dr. Leutwiler said there had been close co-operation for about five years. Contacts with other members of the Organisation of Petroleum Exporting Countries had "unfortunately not yet reached this level."

It was agreed that SAMA should buy no Swiss francs without giving the Swiss the option to carry out the necessary dollar-Swiss franc operations outside the market.

He stressed that SAMA had exercised remarkable reserve in the past year and shown hardly any interest in the purchase of additional Swiss francs, feeling that the currency was too dear.

In the near future, he said, it seemed likely that the Saudi agency would remain very restrained in the diversification of reserves.

Van Gelder bondholders asked to extend financing

BY CHARLES BATCHELOR IN AMSTERDAM

VAN GELDER PAPIER, the Dutch papermaker, yesterday said that it plans to delay the repayment of an outstanding Fl 50m ($26m) debenture loan in order to finance its restructuring programme. The company's announcement that it will call bondholders together on January 14 to seek their approval for the proposal led to the suspension of its shares on the Amsterdam Stock Exchange.

The company, which has been taking measures for the past four years to return to profitability, said that there was no question of it not being able to repay the loan. It had weighed the possibility of issuing a new loan or delaying repayments on the existing bonds, and had opted for the latter, said Mr. C. Izelaar, financial director.

Bond holders will be asked to accept a delay in the repayment of Fl 18.75m over the next three years. These payments would be made up in the subsequent three years. It still has Fl 43.75m of the 9 per cent bonds to repay. The loan was raised in 1973 and the first repayment was made last February. The final instalment falls due in 1986.

Van Gelder has drawn up a three-to-four year restructuring plan costing up to Fl 120m ($62.5m). Arrangements for financing part of this have nearly been completed with Algemene Bank Nederland and Nationale Investeringsbank, Van Gelder said.

A loss of Fl 23.8m was made in the first half of 1979 by Van Gelder, which is 50 per cent owned by the U.S. papermaker, Crown Zellerbach, after it had returned to a profit of Fl 27.6m in 1978 for the first time in three years. The company has suffered from the over-capacity in many areas of the European paper industry and from cost increases, particularly for raw materials. It has been cutting capacity and reorganising its loss-making plant.

Van Gelder agreed with the Stock Exchange Association for the suspension of its shares and of the bonds before trading started yesterday. The Fl 50 nominal shares closed at Fl 29.10 on Thursday, against a high for the year of Fl 60.20 on January 25, and a low of Fl 27.80 on December 18.

French store groups to merge

BY DAVID WHITE IN PARIS

THE TREND towards greater concentration in the French retail sector has been taken a further step forward with the announcement of a planned merger between two food store groups, Docks de France and La Ruche Picarde.

A share exchange offer by Docks de France, the larger of the two, has been approved by the Board of La Ruche Picarde, which controls 56 per cent of the capital.

The deal will involve an issue of convertible bonds by Docks de France, leaving a balance to be paid in cash. Details have not been disclosed, pending approval by the authorities.

The merger will create one of the biggest food distribution chains in France, alongside the Casino group. Joint turnover this year is expected to be in the region of FFr 11.5bn ($2.8bn). About two-thirds of this is made up by the two companies' hypermarkets.

The two plan to maintain the separate identity of their store subsidiaries, which together will form a nationwide network. Although both have stores in the Paris region, La Ruche Picarde (literally, "the Picardy beehive") is implanted mainly in the north of France. Docks de France covers much of the west and south.

● New issues of securities on the French capital market during the first 11 months of this year totalled FFr 74.6bn an increase of 18.6 per cent. Figures released from Credit Lyonnais show that of the 1979 total, bond issues accounted for FFr 59.2bn or 22.6 per cent more than in the first 11 months of 1978.

In November alone, however, new issue activity slowed to FFr 7.5bn, a decline of 29.2 per cent. Of the November total, bond issues accounted for FFr 5.4bn down 32.4 per cent.

German Mobil less optimistic

FRANKFURT—Mobil Oil AG, the West German subsidiary of Mobil Oil of the U.S., has revised downwards its projected 1979 net profit to between DM 260m and DM 290m from a previously forecast DM 280m to DM 340m. German Mobil said that the revision was made because of new crude oil price increases back-dated to earlier this year. The company made a net profit of DM 169.5m in 1978 compared to DM 5.2m.

In the first nine months this year German Mobil had a 13.4 per cent share of domestic crude oil production.

Dividend raised at NMB

BY OUR AMSTERDAM CORRESPONDENT

NET PROFITS for 1979 at Nederlandsche Middenstandsbank (NMB), the fourth largest Dutch bank, are expected to be higher than the Fl 125.8m ($66m) in 1978. The bank is to raise its 1979 interim dividend to Fl 5 per Fl 50 nominal share, from Fl 4.50. It also expects to increase its final dividend, to be announced in March, from the Fl 7.50 paid last time. Shareholders may opt to take the interim payment in cash or as Fl 3.50 in shares.

In the first half of the current year, profit rose 34 per cent to Fl 75.5m, on a balance sheet which was 11 per cent higher on the six months, at Fl 36.7bn ($19.3bn).

NMB, in which the Dutch State has a 23 per cent share, has traditionally concentrated its activities on the small- and the medium-sized businesses in the Netherlands, though it has recently rapidly been expanding its foreign activities.

● The recent recovery in the Amsterdam capital market is prompting bond dealers to speculate on the shape of the new issue queue for early next year, writes our financial staff. The Dutch Bank for Municipalities is thought to be in line for an early borrowing.

Adam Opel sees higher overall demand

By Guy Hawtin in Frankfurt

ADAM OPEL, one of West Germany's largest car manufacturers, has had a record year for sales despite a fall in demand during the fourth quarter which involved short-time working. Next year, however, the group—a subsidiary of General Motors—expects overall demand to resume its rise. This allows for a slackening of domestic demand next year.

Total car registrations in the West German market are forecast by Opel at 2.3m. This compares with 2.5m or so in 1979. According to Mr. James F. Waters Jr., Opel's chief executive, 1979 was a generally satisfactory year for the group. Total output amounted to 971,635 units, compared with the previous year's 959,202 units, knocked-down car kits—excluding motors—supplied to assembly works overseas, however, fell from 1978's 110,211 units to 97,000 units.

The group's share of the domestic market in 1979 fell back nearly 2 percentage points to 18 per cent. Deliveries to the home market dropped from 527,447 units to 475,000 units.

Overseas sales on the other hand rose strongly—from 438,149 units to 496,000 units in the European market alone. Indeed, export sales were an important stabilising factor.

Sales advance at Delhaize

By Our Financial Staff

BELGIAN stores chain, Société Delhaize, says profits before depreciation for the first 11 months of 1979 were unchanged on a gain in sales of 11 per cent. The company made a net profit of BFr 169.6m for 1978 as a whole.

The statement on profits was made to shareholders at an extraordinary general meeting yesterday. The meeting approved proposals for a three-for-one share split and also a one-for-six rights issue, scheduled for January. The new shares are to be offered at BFr 1,400 each.

Shareholders were also told that a maintained dividend at least would be paid for 1979: last year's dividend totalled BFr 210.

Bunker Hunt family takes stake in securities house

BY STEWART FLEMING IN NEW YORK

TEXAS OIL millionaires, Mr. Nelson Bunker Hunt and his brother, Mr. W. Herbert Hunt, have bought a shareholding in the New York investment banking firm of Bache group, reportedly some 3 per cent of the equity.

The step follows moves by Bache to try to avert the possibility that a Canadian group Bel-Fran Investments of Vancouver, might bid for control of the company. Bel-Fran has bought around 7 per cent of Bache and has hinted that it might want to increase its stake to around 25 per cent.

Bache has been unenthusiastic about that prospect and recently stockholders approved measures to hinder takeover bids. The purchase by the Hunts is seen as an effort to get part of the firm's equity into friendly hands.

Bache, as well as controlling a New York stockbroking firm also has a well-established commodities dealing business. The Hunts have been heavy investors in commodity markets in recent years, having at one point built up a substantial stake in silver.

AP-DJ writes: Bache said that the purchases were made at the urging of Mr. Harry A. Jacobs jnr., Bache chairman and chief executive. The Hunts are long-time securities and commodities customers of Bache Halsey Stuart Shields, Bache group's major subsidiary. Bel-Fran investments is controlled by three brothers — Samuel, William and Hyman Belzberg.

Bache holders effectively neutralised the Belzberg holdings by passing, at the annual meeting in October, a series of regulations that would make it difficult for any group to take control of the company. Anyone seeking to gain control now has to acquire 75 per cent of the common outstanding.

McDonnell extends legal battle against Northrop

ST. LOUIS — McDonnell Douglas Corporation extended a long-running legal feud with Northrop Corporation, a large manufacturer of military aircraft, by filing a $100m counter-suit against Northrop.

The suit filed on Wednesday in the U.S. District court in Los Angeles involves a prolonged dispute over the building and sales of McDonnell Douglas's F-18 naval fighter aircraft, the company said.

The petition was filed in response to an earlier suit by Northrop in which McDonnell Douglas was accused of violating portions of a work agreement.

Northrop had claimed in its suit that McDonnell Douglas fraudulently induced Northrop to enter into the agreement for which Northrop would provide certain technological assistance in the construction of McDonnell Douglas's F-18 fighter aircraft. Northrop asked the court for $400m in damages.

Northrop accused McDonnell Douglas of unfair trade practices in its F-18 sales procedures and claimed McDonnell Douglas violated a portion of their mutual agreement under which Northrop would be guaranteed 40 per cent of the work on all F-18s.

In McDonnell Douglas's petition the company denied Northrop's accusations and said that Northrop had violated their mutual agreement by misrepresenting its right to sell and perform work on the F-18s.

Northrop earlier this month was denied a request for a preliminary injunction against McDonnell Douglas. AP-DJ

Investment plan to go ahead at Koor

By L. Daniel in Tel Aviv

KOOR—THE 100-plant industrial holding company of the Israel Labour Federation—is to go ahead with its investment programme, despite the credit squeeze which has led some Israeli plants already to consider cuts in production and the postponement of expansion projects.

The company intends to invest between $50m and $70m annually, during the next three years, in new enterprises and in the expansion of existing ones, according to General Y. Gavish, deputy director.

One of the results of Finance Minister Hurvitz's cuts—designed to slow the country's 100 per cent plus rate of inflation—would be even greater concentration by Koor on export markets.

Fuel costs hit Northwest

By Our Financial Staff

SHARP increases in the cost of fuel have dented earnings at Northwest Airline of the U.S. during the month of November. At the per share level profits have fallen to 9 cents from 25 cents.

Over the first 11 months of the year the airline remains comfortably ahead of 1978, however, with per share earnings running at $3.44 against $2.62. Revenues for the 11 months were $1.2bn compared to $707m, while operating expenses rose to $1.13bn from $646m.

COMMODITIES/REVIEW OF THE YEAR

Star performers

BY OUR COMMODITIES STAFF

STAR PERFORMERS in the commodity markets this year were undoubtedly the precious metals—gold, silver and platinum—and an astonishing rally by sugar in the last six months.

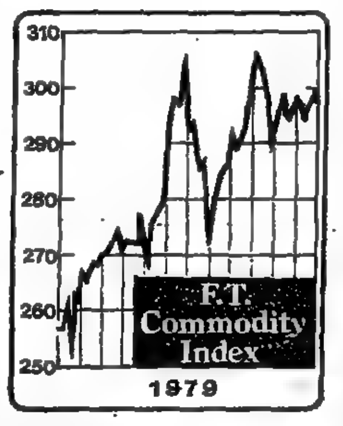
Silver was the most spectacular. It fell to a low of 270p early in the year, reached 400p in August but yesterday hit a record 1,249.70p a troy ounce. Not far behind was gold, which during the year jumped from $216 a fine ounce to an all-time peak of $511 this week. Free market platinum continued to rise strongly for the second year in succession increasing from a low of £152 to a high of £311.45 an ounce.

The dramatic rise in precious metals reflected the major influence affecting all the commodity markets—the increased price of oil and the decline in the value of the dollar, resulting in renewed chaos in currencies and further inflation.

Base metals were heavily influenced by these factors, but were restrained by the prospect of the higher oil prices bringing an industrial recession and a decline in demand. Nevertheless copper moved up strongly, especially during the early part of the year when the market surged from below £800 to over £1,000 a tonne.

Encouraging the upward trend was a steady fall in stocks. LME warehouse holdings of copper declined every week dropping from over 370,000 tonnes to the present total of just over 130,000 tonnes. Reduced shipments from the African copperbelt were the main cause of the stocks decline.

Lead and zinc followed a similar pattern; prices were firm in the first half but lost ground subsequently.



Tin, however, was surprisingly strong. This week the Straits tin price in Penang reached a record $M2,138 a picul, despite the U.S. Congress recently approving the sale of 35,000 tons of surplus tin from the strategic stockpile.

World sugar prices almost doubled this year. The London daily raws price, which fell to a low of £92.5 in July, reached a peak of £182 on Thursday before easing yesterday to £179 a tonne.

The basic factor behind the rise from very depressed levels was the prospect of a production deficit of some 3m tonnes this season after several years of surplus building up stocks. Shortfalls in Russia, Cuba and other leading producing countries more than offset another big EEC beet crop.

The upsurge was influenced by increased buying, particularly by China, Russia and more recently Iran.

Coffee prices have also risen, though far less dramatically. Having started this year at about £1,320 a tonne robusta coffee futures rose to £2,089 a tonne in June encouraged by seasonal frost fears. But this peak was not maintained for long and at yesterday's close March delivery coffee was quoted at £1,590.5 a tonne.

Cocoa prices were forced lower by bigger crops, and reduced demand, bringing another surplus of supplies. Nearby values, which began the year at nearly £2,000 a tonne, ended at about £1,470 after dipping to £1,330 in July.

The market rallied towards the end of the year. This was mainly because the Ivory Coast withdrew from selling and is now stockpiling in anticipation of higher prices later.

Producers and consumers of natural rubber did succeed in negotiating an international price stabilisation pact but this appears to have had little impact on market sentiment. The RSS No. 1 spot position on the London physical rubber market began the year at 56p a kilo and ended at 66.5p mainly reflecting the increase in oil prices putting up the cost of synthetic rubber.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979 High	1979 Low
METALS					
Aluminium	£760/770	—	£710	£770	£710
Free Market c.i.f.	$1750/1800	—	$1,200/20	$1 775	$1,210
Antimony					
Free Market 99.6%	$3200/3230	—	$2,625.75	$3,225	$2,712.5
Copper Cash Wire Bars	£992-24.5	+26.75	£773	£1,090.5	£769
3 months Do. Do	£1,001.5	-01.0	£786.75	£1,093.5	£783.75
Cash Cathodes	£964.55	-10.0	£758.50	£1,062	£744.5
3 months Do	£981	-7.0	£773.75	£1,067	£767.25
Gold per oz	$510	+32	$226	$511	$216.625
Lead cash	£503.5	-32.5	£4,44.50	£701.5	£456.75
3 months	£493.5	-35	£41	£642.5	£420.75
Nickel	£3,260.17		‡	£3,260.17	£2,320.69
Free Market c.i.f. lb	270/310c	—	163	340c	166c
Platinum per oz	£195		£152	£195	£152
Free Market per oz	£304.26	+11.05	£173.50	£311.45	£166.6
Quicksilver (76lbs.)	$375/380	—	$150/70	$377	$150
Silver per oz	1,249.70p	+222.4	296p	1,249.70p	269.4p
3 months per oz	1,288.70p	+185.9	303.20p	1,288.70p	303.7p
Tin cash	£7,432	-128	£6,985	£7,957.5	£6,320
3 months	£7,195	-160	£6,862.50	£7,620	£6,365
Tungsten Ind	$137.75		$145.56	$145.56	$127.94
Wolfram (22.04 lb)	$129.5/134	—	$134/40	$144/149	$120.5
Zinc cash	£335.5	-8.0	£346.75	£408.5	£275.5
3 months	£345.5	-9.75	£355.50	£423.5	£286.25
Producers	$780		$720	$845	$720
GRAINS					
Barley					
Home Futures	£97	+0.40	£85.70	£98.80	£85.9
Maize					
French No. 3 Yellow (Amer.)	£120w	—	£107	£120	£105.5
WHEAT					
No. 1 Red Spring	‡	—	£97.70	£99.0	£92.0
Am. Hard Winter	£105.50	+3.50	£94	£111.75	£83.5
Eng. Milling (new crop)	‡	—	£95.5	£107.5	£43.5
SPICES					
Cloves (g)	$4,000z	—	$3,975	$4,000	$3,850
Pepper, white	$2,650z	—	$2,875	$2,850	$2 600
black	$1,850z	—	$1,875	$1,925	$1 660
OILS					
Coconut (Philippines)	$870	-5.0	$920	$1,175	$870
Groundnut 5%	‡	—	‡		
Linseed, Crude	£395	—	£554	£441	£386
Palm Malayan	$660	-5.0	$615	$720	$582.50
SEEDS					
Copra (Philippines)	$565	-7.50	$625	$745	$565.5
Soyabeans (U.S.)	$280	-11.9	$289	$350.45r	$238.2
OTHER COMMODITIES					
Cocoa Shipment	£1,534	—	£2,022	£2,041	£1,446
F'ts 2nd pos.	£1,473.5	—	£1,971.50	£1,990.5	£1,330.5
Coffee Futures Jan.	£1,590.5	—	£1,319.50	£2,089	£1,298.5
Cotton Index	83.4c	+0.7	78.45c	85.10c	72.5c
Des. Coconut	£710	—	£735	£740	£700
Jute LJ ABW C grade	£225z	—	£526	£263	£226
Rubber kilo	66.5p	+2.0	56p	68p	55p
Sago Pearl	£216z	—	£184	£219	£178
Sisal No. 3 L	$885	—	$515/20	$885	$515
Sugar (Raw)	£179	+3.0	£94	£182	£92.5
Tapioca No. 1	£211xr	—	£174	£211	£167
Tea (quality) kilo	160p	‡	‡	165p	123p
(plain) kilo	57p	‡	‡	82p	57p
Wooltops 64s Warp	276p kilo	—	270p kilo	295p kilo	262p kilo

* Nominal. ‡ Unquoted. (g) Madagascar. (x) Feb. (z) Dec./Jan. (w) Jan.

MARKET REPORTS

BASE METALS

COPPER—Easier on the London Metal Exchange. Forward metal opened lower at £1,007 and fell back to £1,001 on the pre-market following Continental selling. In the rings small fresh buying saw the price lift to touch £1,007, selling pressure built up on the Kerb and depressed the market below the £1,000 level. In the afternoon chartist selling prompted renewed weakness and forward metal dipped to £995.5 before a rally left the price at £1,000 on the late Kerb. Turnover: 15,675 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	997-8	-9	991-3	-12.5
3 months	1007-8	+6	1001-2	-12.5
Settlem't	998	-9	—	....
Cathodes				
Cash	969-70	+12.5	964-5	-17.5
3 months	986-6	+11.5	982-2	-14.5
Settlem't	970	-18	—	....
U.S. Prod	—	....	106-107	....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £995, 97, three months £1,005, 4, 5, 6, 7. Cathodes, cash £972, 69, three months £987, 88. Kerb: Wirebars, three months £1,007, 6, 5, 4, 3, 2, 1, 1,000. Afternoon: Wirebars, three months £997, 96, 95, 96, 96.5, 96, 97, 1,002, 03, 02, 01, 02. Cathodes, cash £966. Kerb: Wirebars, three months £1,002, 00, 05, 07, 06, 05.

TIN—Fell away. Forward metal held steady in the £7,290 to £7,330 range in the morning, but came under heavy stop-loss selling pressure in the afternoon, which saw the price drop to £7,150. However, this level attracted good fresh buying interest and forward metal recovered strongly to close the late Kerb at £7,190, after £7,200. Turnover: 1,415 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7535-50	-22.5	7420-44	-58
3 months	7325-35	-18	7215-25	-65
Settlem't	7550	-20	—	....
Standard				
Cash	7535-50	-22.5	7420-44	-58
3 months	7305-10	-25	7190-200	-65
Settlem't	7550	-20	—	....
Straits E.	†$2138	+16	—	....
New York	—	....	—	....

Morning: Standard, three months £7,330, 20, 10, 05, 10. Kerb: Standard, three months £7,300. Afternoon: Standard, three months £7,310, 05, 7,300, 7,290, 80, 70, 40, 7,200, 7,180, 50, 60, 80, 90. Kerb: Standard, three months £7,190, 95, 90, 7,200, 10, 7,200, 7,190, 80.

LEAD—Fell heavily as Commission House selling depressed forward metal from £510 to £494 on the early pre-market. Stop-loss selling was in evidence as the price moved below £500. Thereafter the market moved narrowly, with forward metal finally £493.5 on the late Kerb. Turnover: 8,000 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	509-10	-22.5	503-4	-22
3 months	499-500	-18	493-4	-19
S'ment	510	-23	—	....
U.S. Spot	—	....	*57-59	....

Morning: Cash £511, 8, 9, 10, three months £501, 500, 499. Kerb: Three months £499, 98, 97, 96. Afternoon: Three months £496, 94, 93, 94, 94.5, 94, 93, 94, 93.5, 93, 94, 95, 94, 93, 94. Kerb: Three months £495, 94, 93, 92.

ZINC—Moved narrowly in quiet trading with forward metal finally £345.5 on the late Kerb. The only feature of the day's trading was the erratic movements in the contango which narrowed from £12 to £9 before widening to £11 at the close. Turnover: 5,325 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	330-1	-4	335-6	+.5
3 months	340-1	-5	345-6	-1.75
S'ment	331	-4	—	....
Prim w'st	—	....	*37.5	....

Morning: Three months £345, 44, 43, 42, 41. Kerb: Three months £342. Afternoon: Three months £341, 44, 45. Kerb: Three months £346.5.

ALUMINIUM—Erratic with forward metal dipping to £831 in the early trading following short selling and then rallying strongly to close the late Kerb at £844 despite forecasts of a rise in stocks. Turnover: 3,800 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	855-7	-5.5	860-2	-1
3 months	839-40	-2	840-2	+4

Morning: Three months £838, 39. Kerb: Three months £840, 42, 41, 42, 43. Afternoon: Cash £857, three months £836, 38, 37, 38, 39, 40, 38, 39, 39.5, 40. Kerb: Three months £844, 43, 44.

NICKEL—Easier in subdued trading with forward metal finally £2,805 after extremes of £2,830 and £2,795. Turnover: 456 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2735-45	-65	2700-10	-45
3 months	2825-35	-68	2800-10	-27.5

* Cents per pound. $ $M per picul. † On previous unofficial close.

Morning: Three months £2,830, 30. Afternoon: Three months £2,830, 10, 2,800, 10, 2,800, 2,795, 2,800.

SILVER

Speculative buying pushed silver to record levels in the London bullion market yesterday to a fixing of 1,249.7p, a rise of 14.7p from Thursday's level. U.S. cent equivalents of the fixing levels were: Spot 2,785.0c, up 34.0c; three-month 2,860.3c, up 42.8c; six-month 2,919.7c, up 48.3c; and 12-month 3,028.4c, up 54.2c. The metal opened at 1,225-1,275p (2,750-2,850c) and closed at 1,220-1,255p (2,725-2,800c) after touching an all-time high of 2,825-2,925c.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	1249.7p	+14.7	1262.5p	+35
3 months	1288.7p	+18.7	1296.5p	+35
6 months	1320.7p	+21.7	....	....
12 months	1384.1p	+26.1	....	....

LME—Turnover 268 (194) lots of 10,000 ozs. Morning: Three months 1,350, 40, 35, 25, 20, 25, 20, 15, 20, 15, 10, 05, 02, 1,300, 01. Kerb: Three months 1,300, 1,295. Afternoon: Three months 1,270, 75, 80, 85, 83, 90, 95, 1,300, 1,298. Kerb: Three months 1,360, 05, 10, 13, 10, 15.

COCOA

Cocoa futures opened lower following the weak close in New York as commission houses continued to liquidate their long positions. Trading conditions were quiet and actuals were largely neglected. Prices closed at the lows of the day, reported Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
Dec.	1436-38	-34.0	1455-32
March	1473-75	-34.5	1493-70
May	1474-75	-34.0	1493-74
July	1479-80	-36.5	1500-1480
Sep.	1497-98	-30.5	1517-1497
Dec.	1519-21	-25.0	1535-20
March	1540-50	-20.0	1560-43

Sales: 6,815 (1,173) lots of 10 tonnes. International Cocoa Organisation (U.S. cents per pound): Daily price Dec. 26: 147.41 (146.53): Indicator price Dec. 27: 15-day average 144.36 (144.32): 22-day average 144.22 (143.80).

COFFEE

ICS indicator prices for Dec. 27 (cents per pound): Other Mild Arabicas 183.33 (188.17). Robusta ICA 1976 174.00 (175.50). ICA 1968 174.25 (175.75). Unwashed Arabicas 213.00 (201.50). Comp. daily ICA 1968 182.64 (194.53).

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
January	1665-80	-32.0	1691-52
March	1590-91	-14.5	1614-1588
May	1572-77	-6.5	1590-65
July	1561-65	-7.5	1580-60
Sept.	1545-50	-17.5	1565-55
Nov.	1535-50	-15.0	1550-45
January	1510-40	-32.5	—

Sales: 6,196 (8,036) lots of 5 tonnes.

GRAINS

The market moved higher on a lower than anticipated tender on barley, but found some shipper selling and values moved back. There was good commercial and country based buying reports Acli. The barley tender of 378 tons is derisory and more notice should be taken of the open position of 710 tons which indicates more tenders available probably after Christmas.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
Jan.	96.65	+0.10	92.55	....
Mar.	100.15	+0.05	97.00	-0.05
May.	104.40	+0.10	101.10	+0.05
Sept.	97.95	....	94.80	....
Nov.	101.95	....	98.35	....

IMPORTED—Wheat: CWRS No. 1, 13½ per cent unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, 104.75, Feb. 106.25, March 107.75, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Feb. 105.50, March 106.50, transhipment East Coast. EEC unquoted. Maize: U.S./French unquoted. S. African White unquoted. S. African Yellow Jan. 82. Barley: English Feed fob Jan. 98, Jan.-March 100, April-June 105.25, East Coast.

RUBBER

The London physical market opened slightly steadier with little interest throughout the day, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 298.5 (294) cents a kg (buyer, January).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Feb.	67.20-67.60	65.40-65.70	67.40
Jan-Mar	68.30-68.80	66.00-66.20	68.60
Apr-Jne	70.10-70.20	70.15-70.20	70.45-70.15
Jly-Sept	72.65-72.40	72.55-72.80	72.90-72.35
Oct-Dec	74.75-74.80	75.00-75.20	75.20-74.75
Jan-Mar	77.15-77.50	77.40-77.70	—
Apr-Jne	79.50-79.55	79.75-80.20	79.55
Jly-Sept	81.90-82.00	82.15-82.50	82.25
Oct-Dec	84.20-84.50	84.20-84.80	—

Sales: 180 (200) at 15 tonnes, 5 (13) at 5 tonnes.

Physical closing prices (buyer) were: Spot 66.50p (65.50); Feb. 67.25p (same); March 68.25p (same).

SOYABEAN MEAL

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
February	120.80-21.0	-1.40	122.40-22.10
April	119.90-20.1	-0.85	121.00-19.80
June	118.80-19.2	-0.90	118.00
August	120.50-21.5	-0.75	—
October	118.70-19.3	+0.25	118.80
December	120.00-22.0	+0.50	—
February	120.00-24.0	-0.80	—

Sales: 104 (58) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £179.00 (£182.00) a tonne cif for Dec.-Jan.-Feb. shipment. White sugar daily price was £194.50 (£197.00).

Keen selling from one quarter was soon moved ahead. Gains of up to 250 points were recorded before heavier offerings blunted the rise. Later, however the market fell back, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	184.60-84.80	188.85-88.25	188.50-84.75
May	185.60-85.75	189.80-89.80	189.50-85.50
Aug.	184.50-84.75	187.50-88.20	187.00-84.50
Oct.	184.25-84.60	187.00-87.80	186.50-85.50

Sales: 3,890 (5,507) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £304.95 (same) a tonne for home trade and £256.25 (£260.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for December 28: Daily price 15.96 (15.02); 15-day average 14.77 (14.73).

LONDON WHITE SUGAR—Close (in order buyer, seller, business sales): Feb. 191.00, 196.00, nil, nil; April 192.00, 196.00, nil, nil; July 196.00, 199.00, 198.00, 10; Sept. 197.00, 201.00, 200.00, 10; Nov. 199.00, 203.00, nil, nil; Feb. 201.00, 207.00, nil, nil; April 201.00, 207.00, nil, nil. Sales: 20.

No. 4 CONTRACT—Close (in order buyer, seller only): May 184.50, 184.75, Aug. 182.65, 182.70, Oct. 183.00, 183.25, Jan. 180.00, 182.00, March 183.00, 183.50; May 182.75, 183.00. Sales: 407 (418).

WOOL FUTURES

LONDON GREASY WOOL—Close (in order buyer, seller, only). Pence per pound. Dec. 218.00, 238.00, March, May, July, Oct., Dec., March and May all 232.00, 242.00.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. Micron Contract: March 447.0, 448.0, 449.0, 446.0, 54; May 464.0, 464.5, 468.0, 463.5, 165; July 474.5, 475.0, 479.0, 472.0, 190; Oct. 469.0, 470.0, 475.0, 469.0, 38; Dec. 469.0, 471.5, 475.0, 468.0, 54; March 472.5, 473.0, 476.0, 472.0, 25; May 473.0, 478.0, 477.0, 474.5, 14. Sales: 550.

AMERICAN MARKETS

NEW YORK, December 28.

THE PRECIOUS metals were mixed with silver limit up on firmness in cash, while gold closed mixed on commission house liquidation ahead of the weekend. Copper was slightly higher on commission house and local short-covering. Cocoa attracted arbitrage selling on a weakness in sterling. Coffee was lower on commission house selling on expectations of a favourable 1979-80 crop. Sugar was steady with trade buying providing support. Livestock was mixed with poor demand for pork products. The grains and soya complex were generally mixed with commercial buying in maize and wheat providing support and a lack of interest pushing soyabeans lower. Cotton was well supported on commission house and local buying encouraged by favourable fundamentals, Heinold reported.

Copper—Jan. 101.15 (100.80), Feb. 102.15 (102.00), March 103.15, May 102.80, July 102.80, Sept. 103.00, Dec. 103.80, Jan. 103.80, March 104.15, May 104.55, July 105.05, Sept. 105.50.

Potatoes (round whites)—March 62.3 (60.3), April 68.5 (69.0), May 76.5, Nov. unquoted. Sales: 479.

Tin—770.00-791.00 asked (775.00-798.00).

CHICAGO, December 28.

Lard—Chicago loose 22.25 (same). New York prime steam 23.75.

Live Cattle—Jan. 68.87 (68.70), Feb. 71.47 (70.65), April 73.45, June 75.10, Aug. 74.55, Oct. 73.15, Dec. 73.95, Jan. unquoted.

Live Hogs—Feb. 41.82 (41.90), April 40.25 (40.37), June 44.00, July 45.17, Aug. 44.17, Oct. 40.30, Dec. 44.75, Feb. 40.90, April 46.70.

‡‡Maize—March 291¼-291 (289½), May 303 (301¾), July 311¾-312, Sept. 316½, Dec. 318-318¾, March 328¾.

Pork Bellies—Feb. 46.85 (47.15), March 47.47 (47.65), May 49.25, July 50.85, Aug. 49.92.

Silver—Jan. 2973.0 (2720.0), Feb. 2775.5 (2655.0), March 2975.0, April 2828.5, June 2674.5, Aug. 2915.0, Oct. 2955.5, Dec. 2996.0, Feb. 3036.5, April 3070.9, June 3117.2, Aug. 3157.4, Oct. 3197.5, Dec. 3237.5, Feb. 3277.4, April 3317.2, June 3356.9, Aug. 3396.5.

‡Soyabeans—Jan. 652-653 (653¼), March 678½-675½ (676½), May 699-698, July 718, Aug. 728, Sept. 728¼, Nov. 739-738½, Jan. 753.

‖Soyabean Meal—Jan. 184.30-184.00 (184.10), March 187.30-187.00 (186.80), May 191.50-191.20, July 196.50, Aug. 199.00, Sept. 201.50, Oct. 203.50, Dec. 207.50, Jan. 208.00-207.50, March unquoted.

Soyabean Oil—Jan. 24.30-24.28 (24.15), March 24.70-24.65 (24.52), May 25.00-25.05, August 25.50, Sept. 25.00, Oct. 25.70-25.75, Dec. 25.95-26.00, Jan. 26.00-25.95, March 25.85-26.05.

‡Wheat—March 469-468 (459), May 466-465½ (460½), July 470¼-470, Sept. 483, Dec. 500, March 514½.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ° Cents per troy ounce. ‡‡ Cents per 56-lb bushel. ‡ Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. ft. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Dec. 27	Dec. 21	M'nth ago	Year ago
296.96	299.80	294.40	257.54

(Base: July 1, 1952=100)

MOODY'S

Dec. 28	Dec. 21	M'nth ago	Year ago
1287.2	1276.6	1182.5	977.4

(December 31, 1931=100)

DOW JONES

Dow Jones	Dec. 27	Dec. 21	Month ago	Year ago
Spot	423.78	426.28	416.19	384.47
F'tur's	428.39	431.60	426.30	382.67

(Average 1924-25-26=100)

REUTERS

Dec. 28	Dec. 27	M'nth ago	Year ago
1698.2	1709.5	1691.2	1496.0

(Base: September 18, 1931=100)

COTTON

LIVERPOOL—Spot and shipment sales in Liverpool amounted to 120 tonnes, bringing the total for the week to 1,000 tonnes, against 1,707 tonnes in the previous week. Quiet trading involved a number of varieties, chiefly in the North American range. Users were stocking up to cover next future requirements.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on December 28. GB cattle 80.96p per kg lw (−0.50); UK sheep 139.9p per kg est dcw (+7.0); GB pigs 73.2p per kg lw (+1.6).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Spania: Navel-Navelinas 3.60-4.50. Jaffa: Navels 50 189s 3.75-5.00; Greek: 3.00-3.20. Moroccan: 4.20-4.40; Egyptian: 2.50-3.00. Satsumas—Spania: 95 196s 3.60-4.00. Clementines—Moroccan: 2.75-3.60-4.40; Cyprus: 126/162 3.20-3.40. Lemons—Italian: 100/150s 5.30-5.50; Cyprus 11-kg 84-120 3.60-5.20; 5-kg 45-55 2.20-2.50; S. African 162s 3.50. Grapefruit—Cyprus: 2.80-3.40, 20 kg 4.00-4.60, Jaffa: 2.50-3.00; Florida: Pink flesh 36/48s 6.00-6.20. Apples—French: Golden Delicious, boxes 40-lb 138/175 3.50-4.60; 20-lb 2.0-2.70; jumble pack 31-lb 2.40-3.00. Granny Smith 20-lb 2.50-3.30, 40-lb 4.00-4.80. Starkcrimson approx 20-lb 72s 2.60; 40-lb 5.60-6.30; Hungarian: Starking 40-lb 128s 5.80, Canadian: Red Delicious 40-lb 9.00-10.00; Italian: Granny Smith 20-lb, per pound 0.11. Grapes—Spanish: Almeria 3.00-3.50, Black 3.80; Californian: Red Emperor, per pound 0.50. Bananas—Jamaican: Per 28-lb 4.50. Avocados—Canary: 5.00; Israeli: 4.00-4.40.

FMC pledge to stay at Calne

BY RICHARD MOONEY

FMC, BRITAIN'S biggest bacon curer, is studying ways of improving productivity and reducing costs at its Calne, Wiltshire, factory. The company yesterday pledged that the unit would not close despite continuing problems.

The C. and T. Harris (Calne) factory has been in trouble for some time. "It is a very old factory," FMC said, "and therefore is very costly to operate."

Rising pig prices and poor supplies for curing because of the strength of the pork market have made things even more difficult recently. British curers find it difficult to obtain pig supplies because they must compete with bacon imports from Denmark and Holland aided by EEC subsidies.

The company was anxious to correct the impression given by some press reports after the publication of the interim report earlier this month that the factory would close soon.

"Production will continue at Calne," said the statement. "It is our intention to consult the trade union representatives of our employees before any decisions are taken which affect employment at Calne. Consultation will take place as soon as possible in the New Year."

Training rules for new GPs

ALL DOCTORS entering general practice in the National Health Service will have to undertake vocational training under regulations laid before Parliament and operating from February 1, 1980.

From August 1982, when the second stage of the regulations begins, doctors will have to receive three years' training, including at least 12 months as a trainee GP, followed by two six-month periods in other posts.

ROYAL MINT PLANS U.S. SALES OFFICE

Making overseas coins earns £49m for Britain

BY TIM DICKSON

STRANGERS, complains Dr. Jeremy Gerhard, often hold him personally responsible for increases in the money supply. Such allegations, he admits, are inevitable if you are deputy master and chief executive of the Royal Mint, though they must be particularly galling now when monetarist convictions are strong.

Circulating coin, which is manufactured in large quantities by the Royal Mint, accounts for only a tiny percentage of Sterling M3, the most widely accepted definition of money supply in the UK.

Misconceptions like this, Dr. Gerhard says, reflect a more general misunderstanding of the Royal Mint's role. In particular, he likes to remind people, the Mint does much more than merely churn out coins for circulation in the UK.

Of its £68m sales in the year to the end of March, 1979, almost £49m, or 72 per cent, was made for countries outside the UK; in the same period coins were minted for 69 countries as geographically diverse as Libya, Iceland, the Falkland Islands and Papua New Guinea. And just to prove that its horizons stretch well beyond the shores of the UK a decision was made this year to open an office in the expanding market of North

Commercial

This information can be found in the 1979 Royal Mint annual report and accounts published a week before Christmas. The report, which covers the tenth year since the Mint moved from its Tower Hill site in the City of London, to its new headquarters at Llantrisant in South Wales, is a well illustrated document with some revealing statistics.

repeatedly outpaced home

Overseas turnover has sales in the past four years; the Mint's average return on capital in the same time has been 25 per cent; while over the same period dividends amounting to £9.1m have been declared, providing an annual average yield of 32.5 per cent on the taxpayers' dividend capital of £7m.

Constitutionally the Royal Mint is an unusual creature. It has been a Government Department since 1812. But under the Government Trading Funds Act, 1973, it is now required to operate on a commercial basis and publish audited accounts.

Other "trading funds" which have been established are the Royal Ordnance Factories, which are part of the Ministry of Defence, and the Supplies Division of the Property Services Agency. Of these the Royal Mint alone is a separate Government Department.

The Mint's prime responsibility is the design, production and distribution of UK coins—it has nothing to do with the issue of bank notes, a function handled by the Bank of England. But, as its sales figures show, the bulk of its business is overseas, where it competes with government and private sector mints. Besides producing circulating coins, the Royal Mint has a thriving business making and selling collectors' coins, medals and medallions to governments, overseas agents and members of the public in the UK.

The well publicised proof sovereign issue announced in October — it will be the first to be made directly available to the public since 1937 — is only one of hundreds of commemorative issues bought enthusiastically by numismatists every year.

Before the Royal Mint arrived there, Llantrisant was a small community about 12 miles from Cardiff at the south end of the Rhonda valley, distinguished only by reputedly being the site of the first cremation in modern times in the UK. Today the main part of the town still stands sadly on a hill bypassed by prosperity and destined perhaps like other villages in the Rhonda to slip into obscurity.

The Royal Mint lies about half a mile away where its premises and 1,400 staff accupy a 30-acre site on a small industrial estate.

At the factory gates the first thing the visitor notices is the vast amount of car parking space.

Llantrisant was chosen as the new headquarters of the Royal Mint primarily because of the decline of the local coal industry and the increasingly serious unemployment problem of the surrounding areas. Today only one pit remains to remind inhabitants of their famous past. Many of the Mint's employees are ex-miners and most drive at least five to ten miles to work.

Boredom

There is no denying the boredom of much of their new job and it is therefore no surprise to learn from the report that absenteeism is a cause of concern, reaching a level of 11.63 per cent during the year. Since the end of the accounting period, however, this rate has been significantly reduced.

Getting into the Mint involves a thorough security check. All staff and visitors have to deposit their small change in special safe boxes near the entrans and random tests are carried out at the exit. In addition there is a huge permanent security presence—guards patrol with dogs 24 hours a day, closed circuit television scans the perimeter fences and a control tower defended like a fortress direct all operations.

In the event of armed attack the close co-ordination with local police would ensure that the valley was sealed off by road blocks within minutes.

Production inside falls into four main categories—circulating coin for the UK, including sovereigns; circulating coins for overseas customers; proof coins; and medals and seals. The mass production of circulating coins is by far the biggest operation—2.5bn were produced for the UK and overseas in 1978/79.

All UK circulating coins have to be produced at Llantrisant but, in an interesting piece of collaboration between a Government department and the private sector, the Mint carries on some of its overseas business through a consortium.

The Royal Mint and De La Rue—a major private sector manufacturere of bank notes—collaborate in the overseas markqeting of coins, and IMI and Birmingha mMint Productions—a small private Mint—produce under Royal Mint supervision a substantial proportion of the overseas coin business it obtains.

Sovereigns

Sovereigns are manufactured in a separate unit at the Royal Mint where, for security reasons, employees are locked in when they are at work. The store of gold ingots stocked in these premises is not the only temptation—gold dust is assiduously swept up and used again.

Proof coins—including proof sovereigns—are also manufactured separately. Proof coins that take longer to produce involve a more painstaking preparation and require a better finish.

The Royal Mint's 12-month £6.3m operating surplus in 1978-79 — against £4.7m the previous year and £7.8m in 1976-77—was based largely on the buoyant sales of ordinary circulating coins and particularly on the overseas demand for gold coins.

"We started the year expecting to have a difficult time in the ordinary coin market and a good year with collectors' items. As it turned out the order book for ordinary coins has reached record levels while sales of proof coins have been disappointing," Dr. Gerhard says.

Demand for the Royal Mint's products can be very uncertain. One or two big orders can significantly change the final outcome. The Royal Mint's most important contract with the Treasury is secure—nobody else is permitted by law to mint UK coins—but there is plenty of competition elsewhere.

One potential problem is the number of overseas contracts lost as a a result of client countries deciding to mint their own coins. Dr. Gerhard admits this constant danger but points out that new orders at the moment are more than making up for old ones.

On the proof coin side, the Mint is broadly in competition with other "collectables" and alternative investments.

Given some of the longer term uncertainties, the Royal Mint might conceivably diversify its operations were it in the private sector. Under existing legislation, however, it is obliged to stick to "coins, medals, seals and related things."

Although allowed to peddle its technology to other people, the Mint is not allowed to make other products—hence the need recently to turn away an inquirer wishing to market model ducks.

The Royal Mint is required to earn an average of not less than 15 per cent a year on capital employed on an inflation adjusted basis. The inflation adjustment is related to fixed assets only so that the adjusted capital employed at March 31 this year was £25.422m. Last year's operating surplus, less transfer to asset replacement reserve of £5.574m, represents a 21.9 per cent return on the inflation adjusted capital.

Current cost adjustments, however, reduce the operating surplus by £1.28m resulting in a return on this basis of nearer 17 per cent.

If nothing else the figures are a useful Treasury guideline. The Royal Mint's annual remuneraton from the Treasury is worked out under a complicated formula but the basic principle is that it is always less than the 15 per cent return on the notional capital required to carry out the UK coinage contract. In this way the Mint has to do better on its other UK and overseas business in order to meet the 15 per cent target.

As Dr. Gerhard puts it: "This is a way of ensuring that we are not taking the Treasury to the cleaners by charging it more than other customers."

CORAL INDEX: Close 415-420 (+5)

INSURANCE BASE RATES

† Property Growth	13¼%
† Vanbrugh Guaranteed	14.5%

† Address shown under Insurance and Property Table.

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
ABN C	F.320	—	—	1	13.50	—	—	F.322
ABN C	F.330	10	0.50	2	5.50	—	—	"
ABN C	F.350	—	—	2	1.80	—	—	"
AKZ C	F.22.50	—	—	14	5.30	—	—	F.25.90
AKZ C	F.25	10	0.50	30	1.60	72	2.30	"
AKZ C	F.27.50	14	0.10	2	0.80	—	—	"
AKZ C	F.30	—	—	6	0.30	100	0.70	"
AKZ P	F.25	20	1.40	6	1.60	—	—	"
ARB C	F.70	—	—	—	—	5	2.60	F.67.50
CSF C	F.440	—	—	2	27.50	—	—	F.450
HO C	F.20	—	—	—	—	1	4.20	F.21.10
HO C	F.22.50	—	—	—	—	11	2.50	"
IBM C	$65	—	—	1	4⅝	—	—	$64¾
KLM C	F.80	28	0.60	7	3.80	—	—	F.75.50
KLM C	F.90	—	—	12	1.20	—	—	"
KLM C	F.100	—	—	2	0.70	—	—	"
KLM P	F.70	—	—	3	3.80	—	—	"
KLM P	F.80	2	5.70	—	—	—	—	"
KLM P	F.90	—	—	1	16.50	—	—	"
NN C	F.120	5	2.20	15	6.30	—	—	F.119.70
NN C	F.125	—	—	10	3.40	—	—	"
PET C	Fr.5000	—	—	2	800	—	—	Fr.5540
PET C	Fr.5500	—	—	3	480	—	—	"
PET C	Fr.6000	5	60	5	230	—	—	"
PHI C	F.20	60	1.30	292	2.10	108	2.40	F.21.10
PHI C	F.22.50	—	—	125	0.90	193	1.10	"
PHI C	F.25	—	—	—	—	65	0.50	"
PHI P	F.22.50	—	—	15	1.50	2	1.90	"
PHI P	F.25	30	4	—	—	—	—	"
PRD C	$30	2	⅛	—	—	—	—	$27⅝
RD C	F.145	30	6	—	—	—	—	F.149.20
RD C	F.150	86	2.50	25	8	—	—	"
RD C	F.160	120	0.40	105	3.50	30	4.50	"
RD P	F.145	15	0.40	—	—	—	—	"
RD P	F.150	15	2.90	2	3.80	—	—	"
UNI C	F.120	—	—	5	4	3	4.80	"
UNI C	F.125	—	—	—	—	2	2.60	"
UNI C	F.130	—	—	50	0.60	—	—	"
XON C	$55	25	1⅞	—	—	—	—	$55⅞
XON C	$60	25	⅛	—	—	—	—	"
		Feb.		May		Aug.		
BA C	$50	2	2⅜	—	—	—	—	$50½
OXY C	$25	1	3⅜	—	—	—	—	$27½
OXY C	$30	—	—	—	—	3	3⅜	"
SLB C	$100	—	—	6	7	—	—	$94¾

TOTAL VOLUME IN CONTRACTS 1814

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Julian S. Hodge	18 %
A P Bank Ltd.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	London Mercantile	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½%	■ Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	Norwich General Trust	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	17 %	Rossminster	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
■ Charterhouse Japhet	17 %	Security Trust Co. Ltd.	18 %
Choulartons	17 %	Shenley Trust	19 %
C. E. Coates	17 %	Standard Chartered	17 %
Consolidated Credits	17 %	Trade Dev. Bank	17 %
Co-operative Bank	*17 %	Trustee Savings Bank	17 %
Corinthian Secs.	17 %	Twentieth Century Bk.	17 %
The Cyprus Popular Bk.	17 %	United Bank of Kuwait	17 %
Duncan Lawrie	17 %	Whiteaway Laidlaw	17½%
Eagil Trust	17 %	Williams & Glyn's	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

Engineers and scientists 'need time on shop-floor'

PROFESSIONAL engineers and scientists should be prepared to work at shop-floor level, both to gain experience and to promote higher productivity methods, say a group representing the major institutions in the two professions.

A list of proposals aimed at changing the national approach to productivity was sent recently to the Prime Minister and leading members of the Cabinet by the group of presidents and past presidents of several professional bodies represented in the Councils of Engineering Institutions and Science and Technology Institutes.

They warn that "tinkering with the problem will not effect sufficient change."

The proposals call for action by employers, trade unions, Government and professional engineers and scientists, and include a call for a "massive propaganda campaign involving press, TV, radio, professional bodies and industry to bring home the vital need for higher productivity."

Employers are asked to increase substantially the number of high quality engineers and scientists in all aspects of production, and to set efficiency as their prime target.

Trade unions are asked to encourage mobility of personnel rather than accept unemployment, and the Government to consider housing provision and tax incentives for people to move. The Government is also asked to "balance current planning and conservation policies against those needed to improve productivity."

Ministry decides water is a food

BY CHRISTOPHER PARKES

Is water a food? The Agriculture Ministry's Food Standards Committee thinks it is, and suggests that the formal definition of food in the Food and Drugs Act should be amended to include it.

The aim of the amendment, the committee says in its report on food labelling, is "to make clear that water behaves as a food in that it takes an active part in nutrition and is not merely a carrier for nutrients."

This is potentially heartening news for food technologists, particularly in the processed meat business, who have developed techniques by which they can increase the weight—or "succulence" as some call it—of cooked ham by up to 20 per cent by the addition of water.

More helpfully for consumers, the committee also recommends closer control on labels over the use of the word flavour.

"If any of the flavour is derived from artificial flavour, the word "flavour" must immediately follow the name of the food in letters of the same size, style and colour," the report says.

Flavour

It adds that manufacturers should be barred from illustrating their packs with pictures of natural foods when the flavour of the contents is not wholly derived from the natural product.

"The shape of a container should not suggest a particular fruit, etc. if the flavour of that fruit is at all imparted by artificial flavour," the report says.

And the committee considers it essential that melons should be marked with their variety name and that cider makers should be prevented from using the term "vintage" on their labels.

The fishmongers' slab has also come under scrutiny. The committee investigators have discovered that the smoked salmon on the consumer's table is not always quite what the buyer might expect.

The lowly genus Orchorhyncus—Pacific or Canadian salmon—cheaper than that fishy, gamey aristocrat Salmo—is used for most smoked salmon. "We have been told that the description 'smoked Scotch salmon' may sometimes be used misleadingly to describe the product made from Orchorhyncus," the committee says.

Premium

A cheap raw material is thus transformed, with the help of the "Scotch" label, into a premium, high-price product.

To help consumers, the committee says, the title "smoked salmon" should be reserved for Salmo Salar, while smoked fish of the other genus should have a qualified denomination. "Smoked coho salmon," is suggested.

At the bottom end of the fishy scale, the committee recommends: "Sild should in future be used for small Clupea harengus and small Sprattus sprattus, but only when canned."

Food Standards Committee Second Report on Food Labelling, HMSO, £3.75.

Slight fall in furniture deliveries

By James McDonald

DOMESTIC furniture deliveries during October have been provisionally estimated by the Industry Department at £107.3m at current prices, compared with £95m in September and £86.1m in October 1978.

This gives a seasonally-adjusted index of deliveries (1975=100) for the month of 108—7.7 per cent lower in September but nearly 5 per cent higher than in October last year.

The average index of deliveries for the three months, August to October, at 111, was 6.1 per cent lower than the revised figure for the previous three months but 1.8 per cent higher than the figure for the same period in 1978.

The Department's index of orders-on-hand, on a seasonally adjusted basis, was provisionally 86 at the end of October—5.4 per cent lower than at the end of September and nearly 9.5 per cent less than a year earlier.

The average for the three months August to October was provisionally 94, a fall of 5 per cent from the previous three-months but 4.3 per cent higher than the corresponding period in 1978.

Stock Exchange dealings

Thursday, December 27	8,945
Wednesday, December 26	—
Tuesday, December 25	—
Monday, December 24	6,926
Friday, December 21	13,987
Thursday, December 20	14,616

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

Bargains at Special Prices. Δ Bargains done with or between non-members. ○ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ‡ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (163)

2½pc Anns. 19¼ (20/12)
3pc British Transport stk. 1978-88 57 (24/12)
2½pc Cons. stk. 21⅛ (24/12)
4pc Cons. Ln. 31¼ (24/12)
3½pc Conversion Ln. 35 (24/12)
12½pc Exchequer Ln. 1996 92⅞ 3
3pc Exchequer stk. 1981 86⅞ ⅝ (21/12)
3pc Exchequer stk. 1983 77⅞○ 7
3pc Exchequer stk. 1984 69⅞○
8¼pc Exchequer stk. 1981 92⅞ (24/12)
8¾pc Exchequer stk. 1983 86⅞
9¼pc Exchequer stk. 1982 87⅞ (21/12)
9¾pc Exchequer stk. 1981 92⅞ (24/12)
[illegible]

CORPORATIONS (4)

FREE OF STAMP DUTY

London County 2½pc 17¼ (21/12). 5pc 76¼. 5½pc 1982-84 71½ (24/12). 6½pc 81 ½○
Greater London 12½pc 1982 94⅞ (21/12)
Birmingham Corp. 2½pc 15⅞ (21/12)
Birmingham D.C. 12½pc 29⅞ (24/12)
Bristol Corp. 7½pc 87⅞ (21/12)
Camden Corp. 9pc 97⅞ (21/12)
Hertfordshire CC 5½pc 95⅞ (21/12). 5½pc 70½ 89⅞ (20/12)
Liverpool (City of) 13pc 95⅞ (21/12)
Liverpool Corp. 2½pc 15⅞ (21/12)
Surrey County 6pc 97⅞ (21/12)
Tameside 13½pc 84⅞

SHORT DATED BONDS

FREE OF STAMP DUTY

12pcBds. 99⅞ (21/12)
12½pcBds. 98⅞
12pcBds. 97⅞
12½pcBds. 97⅞ (24/12)
12⅞pcBds. 97⅞
13½pcBds. 97⅞ (21/12)

PUBLIC BOARDS (5)

FREE OF STAMP DUTY

Agricultural Mort. Corp. 7½pcDb. 1991-93 61 (24/12). 9½pcDb. 1983-86 760

COMMONWLTH. GOVTS. (2)

REGISTERED AND INSCRIBED STOCKS

Australia Commonwealth 6pc 75⅞ (24/12)
New Zealand 6pc 93⅞ (21/12). 7½pc 72⅞ (21/12)
South Australian 3pc 21 (21/12)
Southern Rhodesia 2½pc 113. 3pc 112 (21/12). 3½pc 1967-69 114 (21/12). 4pc 116 (21/12). 6pc 1978-79 141. 6pc 1978-81 141

FOREIGN STOCKS (1)

COUPONS PAYABLE IN LONDON

Chinese 4½pcGoldBds. (Germans Issue) 47 (24/12)

BANKS (23)

Alexanders Discount 191 (21/12)
Algemene (Fl 100) 73 (21/12)
Australia New Zealand ($A1) 2000 198
Bank of Ireland 320 (21/12)
Bank Montreal ($C2) p910 (21/12)
Bank New South Wales ($A1) 135 (21/12)
Barclays Bank 8¼pcUns.Ln. 62½ (21/12)
Can. Imperial Bank of Com. ($C2) p975 (21/12)
Compagnie Financiere De Paris 26½ (21/12)
Gibbs (Antony) Hldgs. (25p) 730 880 72½ 1 70
Guinness Peat (25p) 88 7 (21/12)
Hill, Samuel (25p) 77 (21/12)
Hongkong Shanghai ($HK2.50) 1640 1 4
Joseph (Leopold) Hldgs. 125 (21/12)
Keyser Ullmann Hldgs. (25p) 65
Kleinwort, Benson, Lonsdale (25p) 126 (21/12)
Lloyds Bank 3070. 7¼pcUns.Ln. 90½ (24/12)
Mercury (25p) 149 (21/12)
Midland Bank 347. 7¼pcUns.Ln. 75 (21/12)
Minister Assets (25p) 48½ (24/12)
National Westminster Bank 3530 500 50
Royal Bank of Scotland 5½pcPf. 36 (21/12)
Standard Chartered Bank 465 7

BREWERIES (29)

Allied Breweries (25p) 770 8½ 7¼
Bass (25p) 192 11
Belhaven Brewery Gp. (25p) 32 (24/12)
Bell (A.) (50p) 176 6 (21/12)
Boddingtons Breweries (25p) 102 (21/12)
Buckley's Brewery (25p) 470
[illegible]
Greene King (25p) 3700
Guinness (A.) (25p) 183 (24/12)
Highland Distilleries (20p) 146
Invergordon Distillers (25p) 225 (21/12)
Mansfield Brewery 122 (21/12)
Marston Thompson Evershed (25p) 105 (24/12)
Scottish Newcastle (20p) 620 18
Seagram 518¼ (21/12)
South African Breweries (R0.20) 107 (21/12)
Watney Mann Truman 3½pcDb. 25½ (24/12)
Whitbread A (25p) 1380

COMMERCIAL (446)

A—B

[illegible]
Berwick Timpo (25p) 73½ (21/12)
Birmid Qualcast (25p) 34½
Black Edgington (50p) 60
Black Arrow (50p) 26 (21/12)
Blackwood Morton (25p) 22½
Blue Circle Inds. 2400 40. 10½pcDb. 73
Blundell (25p) 580
Booker McConnell (50p) 2680
Boots (25p) 160 2 (24/12)
Borthwick (Thos.) Sons (50p) 58 (21/12)
Boulton (Wm.) (Group) (10p) 14 (21/12)
Bowater Con. 1520 2 5. 7pcCnv.Uns.Ln. 68 (21/12)

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
BP "New"	25p	5	146	+4	182	142
Burmah Oil	£1	5	168	+4	197	82
Carless Capel	10p	5	82	+6	82	28
Cons. Gold Fields	25p	5	382	+1	382	176
European Ferries	25p	5	99	—	183	92
Premier Cons.	5p	5	43½	+2½	49	13
Shell Transport	25p	5	325	+4	402	278
BAT Inds.	25p	4	240	—	362	230
Boots	25p	4	161	+1	238	147
Bowring (C. T.)	25p	4	130	+1	148	95
De Beers Defd.	R0.05	4	421	+11	452	332
ICI	£1	4	360	+4	415	314
Lonrho	25p	4	88	—	90	62
Lucas Inds.	£1	4	234	+5	310	195
Marks & Spencer	25p	4	77	—	134	78

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979 high	1979 low
ICI	£1	14	360	−3	415	314
Shell Transport	25p	14	325	—	402	273
BP	25p	13	350	+6	406	220½
European Ferries	25p	11	99	—	187	92
GEC	25p	11	335	+2	456	311
Marks & Spencer	25p	10	77	−1	134	76
Royal Insurance	25p	10	325	−2	443	288
Boots	25p	9	161	−1	238	147
Courtaulds	25p	9	73	—	122	73
Grand Met.	50p	9	127	+2	178½	110½
Racal Electronics	25p	9	158	−1	276	168½
Tricentrol	25p	9	258	+6	284	145
BET Defd.	25p	8	124	+9	145	96
Distillers	50p	8	196xd	−4	259	196
Sears	25p	8	38½	−2	61	35½

Chas. Clifford sees recovery

A RETURN to profits is forecast by Charles Clifford Industries for 1979. In a circular detailing the recent £0.57m rights issue and the exercise of option to subscribe for shares in Tafa Metallisation Inc., the Board expects trading profits to reach about £230,000 which compares with a loss of £171,000.

This is struck before exceptional charges of £40,000 (£300,000) and it is expected that in the current year they will amount to around £70,000 (£160,000) in respect of the termination of certain trading activities.

The directors explain that had it not been for the engineering strike, second half profits would have been at the same rate as in the first—£215,000.

SPAIN

December 28	Price %	+ or −
Banco Bilbao	212	+4
Banco Central	230	+6
Banco Exterior	220	+5
Banco Hispano	220	+4
Banco Ind. Cat.	137	
Banco Madrid	175	
Banco Santander	250	
Banco Urquijo	193	−3
Banco Vizcaya	218	
Banco Zaragoza	205	+5
Dragados	100	
Espanola Zinc	60	+2
Fecsa	63.2	+2.1
Gal. Preciados	23.5	−1
Hidrola	64.5	+1
Iberduero	63.5	+0.3
Petroleos	114.0	+2
Petroliber	73	
Sogefisa	115	
Telefonica	58	+1
Union Elect.	67	+0.5

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LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	14½	½-year	1,000	1
Redbridge (01-478 3030)	14	½-year	200	2-3
Wrekin (0952 505051)	15½	maturity	5,000	3 mths.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bridgwater	10.25	10.50	12.00	13.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	8.50	11.50	12.50	—
Catholic	10.05	•10.75	11.65	— • 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 years, 12.00 4 years
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	■11.50	—	— ■ Premium shares including 1.00 bonus p.a. (£15,000 only)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	11.85 3-yr. withdrbl. increment share
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.50 3 yrs., 11 3 mth.not.
Coventry Provident	10.25	10.50	12.50	12.00 4 yrs., 11.75 3 yrs., 11.25 2 yrs.
Derbyshire	10.25	10.50	11.75	11.01 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	6.45	8.85	10.00	10.85 5 yrs., 10.35 4 yrs., 9.85 3 yrs.
Guardian	10.25	10.75	—	11.75 3 months, £1,000 minimum
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 years, 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	13.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.00	11.55 3 months' notice, £250-£10,000
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	13.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	†11.00	†12.25	†12.00 3 yrs., 11.75 2 yrs., 11.50 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mths., 11.25 3mth., min. £1,000
Nationwide	10.20	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Newcastle Permanent	10.25	10.50	11.80	12.50 4 yrs., 11.80 3 yrs., 11.50 2 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	13.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55 3 months
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.70	12.60 5 yrs., 11.60 6 mths.not.min.£500
Wessex	10.50	11.20	—	12.20 6 mths. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

*Rates normally variable in line with changes in ordinary share rates.
† Includes 0.25% Centenary Bonus throughout 1979.
‡ Applicable from January 1, 1980.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

(By permission of the Stock Exchange Council)

CURRENCIES, MONEY and GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate rose very slightly at yesterday's tender to 15.8421 per cent, a rise of 0.0014 per cent, and the minimum accepted bid remained at £96.05. Bids at that level were met as to about 44 per cent and above in full for bills dated Monday to Thursday, and the minimum accepted bid on 95-day bills was £95.89. The £300m bills on offer attracted bids of £664.275m and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day to day credit was in short supply in the money market, and the authorities gave assistance on a very large scale. This comprised moderate purchases of Treasury bills both from discount houses and banks and a small amount of corporation bills. In addition they lent a small amount to six or seven houses over the weekend at MLR. The market was faced with a small net take up of Treasury bills and a small increase in the note circulation. There was also a large excess of revenue transfers over Government disbursements. On the other hand banks brought forward balances some way above target.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

The dollar finished at its best level for the day in very quiet trading yesterday. The little commercial business seen on Thursday had completely dried up by yesterday, and currency movements were based on very small amounts of business. Against the D-mark, the dollar finished at DM 1.7240 compared with DM 1.7165 and SwFr 1.5925 from SwFr 1.5800 in terms of the Swiss franc. It was also firmer against the yen rising to Y240.25 from Y239.25. On Bank of England figures, its trade weighted index rose to 85.1 from 84.9.

Sterling opened at $2.2425-2.2435, but fell away to a low of $2.2260 before recovering towards the close to $2.2335-2.2355, a fall of just 55 points from Thursday. On Bank of England figures, sterling's trade weighted index finished at 70.3 against 70.5 on Thursday, having stood at 70.3 at noon and 70.5 in the morning.

Gold eased back from levels seen earlier in the day to finish at $509-511, a loss of $1 an ounce from Thursday's record close. However the metal touched an all-time high of $518½-518 some time during the morning, after an opening level of $513-515. Trading was very thin and small amounts of profit taking during the afternoon out of New York pushed the price down to $503-505 at one time, before it recovered towards the close.

THE POUND SPOT AND FORWARD

Dec. 28	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2260-2.2435	2.2335-2.2355	0.50-0.40c pm	2.42	1.20-1.10 pm	2.06
Canada	2.6120-2.6275	2.6215-2.6225	0.75-0.65c pm	3.20	1.85-1.75 pm	2.74
Nethlnd.	4.22-4.27	4.24¼-4.25¼	2-1c pm	4.24	5-4 pm	4.24
Belgium	62.15-62.75	62.55-62.70	20-10c pm	2.87	42-32 pm	2.36
Denmark	11.88-12.01	11.99-12.01	1-3ore dis	−2.00	6½-8½ dis	−2.5
Ireland	1.0370-1.0440	1.0395-1.0405	0.05-0.15p dis	−1.15	0.20-0.30dis	−0.96
W. Ger.	3.82-3.86	3.84¼-3.85¼	3½-2½pf pm	8.58	7½-6½ pm	7.53
Portugal	110.60-111.70	111.10-111.40	10-60c dis	−3.77	40-140 dis	−3.23
Spain	147.10-148.30	147.80-147.80	50-100c dis	−6.09	110-210 dis	−4.33
Italy	1,790-1,802	1,796-1,798	4½-6¼ lire dis	−3.50	12-14 dis	−2.89
Norway	10.96-11.09	11.00½-11.02	4½-2½ore pm	3.54	12½-10¼ pm	4.09
France	8.93-9.00	8.97½-8.98½	2½-1½c pm	2.84	5½-4½ pm	1.78
Sweden	9.23-9.30	9.27-9.28½	2½-1½ore pm	1.94	6-4 pm	2.15
Japan	530-539	535½-537½	4.05-3.85y pm	8.83	10.50-10.00pm	7.64
Austria	27.50-27.80	27.68-27.78	15-5gro pm	4.33	57-47 pm	7.50
Switz.	3.52-3.56½	3.55-3.56½	3½-2½c pm	10.54	10¼-9¼ pm	10.98

Six-month forward dollar 2.15-2.10c pm, 12-month 4.15-4.00c pm.
Belgian rate is for convertible francs. Financial franc 64.85-64.95.

GOLD

	December 28		December 27	
Gold Bullion (fine ounce)				
Close	$509-511	(£227½-228½)	$510-512	...
Opening	$513-515	(£228½-229½)	$505½-507½	...
Morning fixing	$515.00	(£230.528)	$508.75	(£228.806)
Afternoon fixing	...			

EXCHANGE CROSS RATES

Dec. 28	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc
Pound Sterling	1.	2.235	3.853	536.5	8.985
U.S. Dollar	0.446	1.	1.724	240.1	4.021
Deutschemark	0.260	0.580	1.	139.3	2.332
Japanese Yen 1,000	1.864	4.165	7.181	1000.	16.75
French Franc 10	1.113	2.487	4.288	597.1	10.
Swiss Franc	0.281	0.628	1.085	150.8	2.526

LONDON MONEY RATES

EURO-CURRENCY INTEREST RATES

EMS EUROPEAN CURRENCY UNIT RATES

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

CURRENCY MOVEMENTS

OTHER MARKETS

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 28/12/79

Statistics provided by data STREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.◊	Cheap(+) Dear(−)◊ Current
Bank of Ireland 10pc Cv. 91-96	1.20	148.00	47.6	77-80	6.9	4.7	− 8.6	−11 to −4	0.0	4.9	3.0	+11.6
British Land 12pc Cv. 2002	7.71	204.00	333.3	80-97	5.9	4.7	1.2	− 6 to 12	0.0	90.4	44.8	+43.7
Hanson Trust 6½pc Cv. 88-93	3.38	71.00	57.1	76-80	9.4	10.8	1.8	− 1 to 14	0.0	0.0	0.0	− 1.8
Slough Estates 10pc Cv. 87-90	5.50	177.00	187.5	78-85	5.6		− 3.7	− 6 to 9	30.8	37.1	3.4	+ 7.1
Slough Estates 8pc Cv. 91-94	24.88	95.00	76.0	80-91	8.4	8.6	24.3	21 to 32	25.2	48.8	30.9	+ 6.6
Thorn Electrical 5pc Cv. 90-94	1.73	83.00	29.1	75-80	6.2	7.1	1.3	−10 to 20	5.6	4.6	− 0.9	− 2.1
Ultramar 7pc net R.Cv.Pfd.	12.59	2.15	0.5	76-82	4.6		− 0.8	−11 to 3	16.0	17.2	− 0.4	+ 0.5
Wilkinson Match 10pc Cv. 84-86	11.10	73.00	40.0	76-83	13.9	14.3	28.6	21 to 42	20.0	28.1	14.4	−14.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◊ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Quiet markets hope for steel dispute settlement

Gold shares lose shine, but Australian mines feature

Account Dealing Dates

Options

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 10	Dec. 20	Dec. 27	Jan. 7
Dec. 28	Jan. 10	Jan. 11	Jan. 21
Jan. 14	Jan. 24	Jan. 25	Feb. 4

* "New time" dealings may take place from 9.30 am two business days earlier.

Hopes that the national steel strike due to commence next Wednesday might be averted encouraged a steadier tone in stock markets at the start of a new trading Account yesterday. On the mining scene, Gold shares failed to maintain the pace of the previous day's advance, but the sector still had numerous good features in Australian issues or selected Financials.

Gilt-edged securities attracted domestic funds for investment in medium- and longer-dated stocks, but most shorts were held in check by a return of tight conditions in money markets. Exchequer 13¾ per cent 1987 rose ¼ to 92¼, but other gains among medium/longs were generally restricted to ⅛.

The new Account brought no improvement in the level of trade in equities. Some leading dealers thought that overall interest yesterday was the smallest this week, but prices still managed to harden. Though generally small, rises outnumbered falls in constituents of the FT 30-share index by about 5-to-1, and this measurement of the equity market, up 3.1 at 417.8, recorded its first improvement in five trading sessions.

Apart from Cons. Gold Fields which encountered further takeover speculation and attracted 107 trades, the Traded options market remained dull with a total of 232 contracts completed. The daily average over the Christmas week amounted to 141.

In recently-issued equities, Spring Grove and Haynes Publishing improved a couple of pence apiece to 70p and 124p respectively, but Lontrim cheapened 3 to 44p.

Grindlays wanted

The banking sector provided several firm features; Grindlays were particularly prominent with a jump of 19 to 132p on speculative support. Bank of Scotland also attracted renewed buying and closed 16 to the good at 292p. Among the major clearers, Barclays stood out with a rise of 8 at 430p. Merchant banks made progress following Press comment; Arbuthnot Latham put on 7 to 183p and Minster Assets edged forward 1½ to 49p. Firm of late following the revelation that Hong Kong and Shanghai Banking is in discussions with the group with a view to acquiring the 60 per cent of the shares it does not already own, Antony Gibbs hardened 2 to a 1979 peak of 72p on hopes of further developments. Elsewhere, Manson Finance rose 6 to 38p: the interim results are due at the end of next month.

Still awaiting further news of the Marsh and McLennan bid approach, C. T. Bowring hardened a penny more to 130p in an otherwise lethargic Insurance sector.

The drinks sector retained the previous day's subdued appearance and few movements of consequence emerged. Awaiting the company's formal reply to the offer from Hiram Walker, Highland rose 3 to 146p. Arthur Bell added a couple of pence to 178p.

Certain Building issues improved on sporadic support with Blue Circle adding a couple of pence to 242p and Marshalls (Halifax) firming 5 to 192p, the latter in a limited market. London Brick hardened ½ to 58p, but Nottingham Brick, a good market of late on the annual results and proposed scrip issue, shed 10 to 340p on profit-taking. On the other hand, A. Monk, recently depressed by the interim loss and dividend omission, picked up 3 to 34p. Aberdeen Construction added 2 to 79p. In Timbers, Montague L. Mayer eased 2 to 74p on lack of interest.

ICI illustrated the firmer overall market trend with a gain of 4 to 360p. Elsewhere in the Chemical sector, small demand lifted British Benzol 1½ to 45½p xd, while Carless Capel gained 6 to 82p, the latter reflecting the company's oil interests. International Paint revived with a gain of 3 to 75p.

Wearwell good

Interest in the Stores sector was at a low ebb. Nevertheless, Wearwell saw buyers and closed 3½ better at 49p with the new nil-paid shares 2½ up at 14p premium. B. and Q. Retail hardened 2 more to 88p, but Martin the Newsagent dipped that much to 196p as did Waring and Gillow, to 118p, and Ratners, to 45p. Of the leaders, Burton "A" edged forward 2 to 232p and Woolworth hardened a penny to 59½p.

Among the Electrical leaders, GEC encountered scattered buying interest and firmed 4 to 335p, but little else worthy of note developed. Elsewhere, movements were mixed: Eurotherm put on 6 to 277p and STC improved 4 to 312p, but Decca drifted back 5 to 315p, with the "A" a few pence cheaper at 253p, while occasional offerings left Unitech 4 down at 212p.

The Engineering leaders took a modest turn for the better, Tubes gaining 2 to 256p, while Vickers, 106½p, and John Brown, 56p, both finished a shade harder. Occasional support was also evident for secondary issues. Interest revived in B. Elliott, which gained 5 to 210p, and Mining Supplies, up 4 at 82p. Whessoe were also 4 dearer at 66p xd, while gains of around 3 were marked against APV, 177p, RHP, 72p xd, and Matthew Hall, 168p. Westland and Associated Tooling both firmed 2 to 56p and 50p respectively.

Leading Foods were barely tested, but Tate and Lyle and Rowntree Mackintosh added 2 apiece to 148p and 160p respectively. Elsewhere, Albert Fisher responded to country buying with a gain of 1½ to 11½p, but Nurdin and Peacock encountered small selling and shed 3 to 102p.

W. Goodkind up

Miscellaneous industrials passed an extremely quiet session and closed with only a handful of worthwhile movements. W. Goodkind improved 3 to 26p following Press comment and ICL firmed 6 to 460p xd for a similar reason. Still reflecting an investment recommendation, BET added 3 more to 124p, while Peter Black also added 3, to 102p, as did Davies and Newman, to 114p. The leaders traded quietly with Rank Organisation closing 4 dearer at 180p and Glaxo 3 to the good at 335p. Dealings in Fairbairn Lawson were suspended at 13p at the company's request pending an announcement, while Wilson Walton, 8p, were also suspended at the company's request pending clarification of its position.

Among Leisure issues, Norton and Wright attracted a few buyers and, in a thin market, put on 9 to 95p xd. Management Agency and Music firmed 4 to 116p xd.

Hopes that the company will benefit from the BL-Honda tie-up helped Lucas to a rise of 5 at 234p. Dowty put on 3 to 149p and Dunlop firmed a penny to 52p, but other Components stayed at the overnight levels. Rolls-Royce attracted a little support and hardened 1½ to 62½p, but Fodens shed a similar amount to 37p; the latter's interim figures are due next Thursday.

Hopes of further North Sea oil price increases lifted Associated Newspapers 8 to 250p. Elsewhere, William Collins improved 6 to 113p following news of a sizeable sale and lease back property deal, while Inveresk also turned better and closed 2½ up at 38½p.

Most movements in Properties favoured holders, but business remained subdued. In the leaders, Land Securities firmed ½ to 259p and MEPC hardened 1½ to 166p xd. Support was again forthcoming for Hammerson A which gained 15 to 730p, while the new nil paid shares put on 14 to 160p premium. British Land and Slough Estates hardened a penny apiece to 61p and 100p respectively, while Stock Conversion added a couple of pence to 366p and Haslemere Estates firmed 3 to 272p xd. Elsewhere, improvements of 2 were marked against Marler Estates, 39p, and Dorington, 77p. Bradford responded to the appearance of a few buyers and, in a thin market, added 4 to 120p.

Gains in Oils

A useful demand was seen for oils and gains in secondary issues reached double figures in places. Siebens UK, 416p, and Clyde, 324p, rose 18 apiece, while Tricentrol added 10 to 258p as did Cambridge Petroleum, to 185p. LASMO firmed 8 to 344p and Aran Energy put on 6 to 186p. Among the leaders, British Petroleum rallied 8 to 350p and Shell 4 to 328p.

Overseas Traders again tended easier. Harrisons and Crosfield gave up 12 to 600p, while Great Northern fell ½ more for a two-day loss of 5 at £27.

Shippings provided one of the day's outstanding sectors, a useful demand being seen throughout the list. P & O Deferred were noteworthy for a gain of 5 at 111p, while speculative buying was mainly responsible for a rise of 11 at 257p in Furness Withy. Hunting Gibson advanced 8 to 295p and Common Bros. 5 to 295p, while Lofs improved 2 to 38½p.

Trusts made a firm showing. Scottish Cities A rallied 4 to 200p, while Second Alliance improved 3 to 153p and Dundee and London 2 to 57½p xd. Among Financials, dealings were temporarily suspended in Mooloya at 82p at the company's request.

Scattered mixed movements were the order of the day among lifeless Textiles. David Dixon gave up a couple of pence to 114p, but in smaller-priced issues, George Spencer and Charles Early and Marriott both put on 2 to the common level of 28p, while Rivington Reed rose a penny more to 17p.

Reports that the State of California has given liquor licence clearance to Imperial with regard to the offer for Howard Johnson had little effect on the former's shares which eased a shade to 75p.

Late falls in Golds

A late fall in the bullion price wiped out most of initial gains in South African Golds, which earlier had recorded sizeable rises as the bullion price hovered around the $515 level.

Small Johannesburg and London buying interest in the morning was replaced by American selling in the afternoon and at the close prices were showing widespread losses.

The Gold Mines index gave up 6.4 to 270.0. This fall, however, was accentuated by many of the index constituents going "ex" the December dividend payments.

Among the heavyweight Golds, Randfontein came under pressure and closed £1¼ lower at £23¾, while Western Deep lost ½ to £15½ and St. Helena ¾ to £12¾.

On the other hand, South African Financials managed to hold most of their initial gains. Strong and persistent Johannesburg buying lifted Union Corporation 5 to a year's high of 570p, while UC Investments rose 15 to 365p. Amgold were finally 1 up to £34¼, after £34¾.

London Financials were featured by Selection Trust which advanced 32 to 578p amid various rumours of a possible new base-metals find in the Teutonic Bore area of Western Australia and vague talk of a diamond find in the same State.

These rumours were accompanied by strong performances in MIM Holdings and Samantha, both of which are associated with Selection Trust in Australian exploration ventures. MIM Holdings, Selection Trust's partner in the Teutonic Bore copper/zinc project, rose 15 to 208p, while Samantha, which holds claims in the Teutonic Bore area and is involved with Selection Trust in diamond exploration in the Kimberley area, jumped 7 to 49p.

Other strong performers in Australians included Frisco-Wallsend, up 30 at 425p, and Leonard Oil, 8 to the good at 58p. Spargo's Exploration put on 3 more to 39p.

Coppers attracted renewed buying interest from Paris which lifted Roan Consolidated 15 to a year's high of 210p and ZCI 3 to 35p.

The current strength of the free market platinum price encouraged good Johannesburg demand for Lydenburg, 11 firmer at a high of 138p, Impala, a similar amount up at 280p, and Rustenburg, which added 6 to 208p.

F.T. Actuaries

During 1979 the price indices for British Government Securities were calculated for publication on the basis that partly-paid stocks were excluded until they became fully paid.

On June 29 and November 6, however, two updatings were made by including partly-paid stocks from issue and taking into account calls on the stocks when they fell due. No further updatings have been made.

Since November 6, the indices have been published as formerly—with the exclusion of partly-paid issues until they are fully paid. *Programming changes are being made to include partly-paid stocks from issue, but with adjustments to fetch them into line with fully-paid stocks from the start.*

A fuller explanation will appear in due course in the Journal of the Institute of Actuaries and the *Transactions of the Faculty of Actuaries*.

The amounts by which aggregate performances of the published indices during 1979 exceed those in the event that no updatings had been made is approximately *0.2* per cent, *0.9* per cent and 0.4 per cent for groups 2, 3 and 5 respectively; there is no difference for group 1 and group 4 is, of course, not affected.

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	350	17	4	27	5	—	—	349p
BP	360	—	—	—	—	35	10	"
BP	390	—	—	—	—	26	4	"
Cons. Gold	280	108	2	116	—	125	—	385p
Cons. Gold	330	55	5	74	—	86	—	"
Cons. Gold	360	27	20	50	9	65	—	"
Cons. Gold	390	11	42	31	11	48	28	"
GEC	330	15	10	33	—	45	—	335p
GEC	360	4	9	19	10	33	—	"
Land Secs.	260	7½	20	22	—	28	—	259p
Land Secs.	300	1	—	6	10	12	—	"
Marks & Sp.	90	¾	—	3½	—	5½	4	78p
Shell	325	15	12	—	—	—	—	328p
Shell	350	—	—	26	3	36	—	"
Totals			124		46		56	
		February		May		August		
Racal Elec.	300	7	8	17	5	25	—	196p
RTZ	300	40	5	57	—	69	—	326p
RTZ	330	20	8	36	1	51	—	"
Totals			21		6		—	

FINANCIAL TIMES STOCK INDICES

	Dec. 28	Dec. 27	Dec. 24	Dec. 21	Dec. 20	Dec. 19	A year ago
Government Secs.	65.49	65.45	65.48	65.46	65.51	65.54	66.06
Fixed Interest	65.99	65.99	66.05	66.02	65.92	65.90	70.29
Industrial	417.8	414.7	417.5	419.6	420.2	422.1	470.5
Gold Mines	270.0	276.4	262.2	255.6	259.7	276.6	141.4
Ord. Div. Yield	7.77	7.85	7.79	7.74	7.74	7.68	6.15
Earnings, Yld. % (full)	19.55	19.49	19.38	19.27	19.26	19.18	16.88
P/E Ratio (net) (*)	6.37	6.32	6.35	6.38	6.38	6.43	8.02
Total bargains	14,397	8,945	6,926	15,987	16,616	15,557	—
Equity turnover £m	—	39.20	25.17	70.86	78.90	78.12	51.86
Equity bargains total	—	5,911	4,621	10,963	11,757	10,578	8,408

10 am 414.3. 11 am 416.4. Noon 416.5. 1 pm 416.5.
2 pm 416.4. 3 pm 416.3.
Latest Index 01-246 8026.
*Nil=6.15.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.
‡Cum. Div. 275.8.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	65.30 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	276.4 (27/12)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 28	Dec. 27
—Daily		
Gilt Edged	71.1	35.1
Industrials	47.6	27.2
Speculative	40.3	20.6
Totals	54.8	30.6
5-d'y Av'r'ge		
Gilt Edged	75.8	65.7
Industrials	52.7	59.1
Speculative	39.3	40.2
Totals	40.1	54.2

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	62	4	21	76	24	185
Corpns., Dom. and Foreign Bonds	4	1	61	15	8	179
Industrials	219	147	1,033	369	465	3,372
Financial and Prop.	126	45	327	173	189	1,141
Oils	23	5	13	30	27	64
Plantations	4	4	20	7	6	71
Mines	75	21	91	197	60	134
Others	39	56	65	92	159	227
Totals	552	284	1,631	952	928	5,337

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Dec. 28, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., Dec. 27 Index No.	Mon., Dec. 24 Index No.	Fri., Dec. 21 Index No.	Thur., Dec. 20 Index No.	Year ago (approx.) Index No.	1979 High	1979 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	214.49	+0.5	20.10	7.19	6.30	213.38	214.49	215.05	214.94	230.71	287.87	[illegible]	[illegible]	[illegible]
2	Building Materials (27)	198.21	—	19.83	7.65	6.47	198.12	199.18	199.62	200.85	203.37	270.52	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (29)	325.18	−0.1	28.39	7.38	4.36	325.28	328.99	329.41	328.84	357.94	451.74	[illegible]	[illegible]	[illegible]
4	Electricals (15)	554.54	+1.1	14.55	4.47	9.17	548.38	550.53	552.34	550.47	536.74	698.53	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (11)	289.73	−0.3	26.77	8.83	4.78	290.65	292.99	292.55	293.59	352.47	429.70	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (74)	150.29	+0.7	22.19	8.52	5.61	149.32	150.15	150.20	149.96	181.29	211.08	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (16)	146.18	+0.1	22.78	10.39	5.29	146.07	146.48	147.62	147.43	159.35	192.29	[illegible]	[illegible]	[illegible]
	CONSUMER GOODS														
11	(DURABLE) (50)	192.48	+0.3	18.71	6.31	6.63	191.89	193.17	193.86	193.93	207.15	259.88	[illegible]	[illegible]	[illegible]
12	Lt. Electronics, Radio, TV (15)	259.46	+0.2	14.98	4.95	8.52	258.89	261.28	262.60	263.21	261.91	358.49	[illegible]	[illegible]	[illegible]
13	Household Goods (14)	115.49	−1.0	26.21	9.38	4.62	116.72	117.22	117.21	116.50	166.34	180.81	[illegible]	[illegible]	[illegible]
14	Motors and Distributors (21)	104.74	+0.8	25.81	8.83	4.65	103.86	103.97	104.06	103.77	119.57	135.66	[illegible]	[illegible]	[illegible]
	CONSUMER GOODS														
21	(NON-DURABLE) (173)	204.31	−0.1	19.53	7.35	6.32	204.48	205.04	205.72	206.10	206.66	269.81	[illegible]	[illegible]	[illegible]
22	Breweries (14)	253.03	+0.1	17.28	6.91	6.80	252.84	252.95	255.21	254.22	231.47	306.13	[illegible]	[illegible]	[illegible]
23	Wines and Spirits (6)	295.65	−0.9	18.19	6.20	6.79	298.25	298.45	300.10	300.17	282.48	352.29	[illegible]	[illegible]	[illegible]
24	Entertainment, Catering (17)	273.73	+0.4	19.30	7.21	6.72	272.72	271.89	272.67	274.75	267.55	374.32	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (19)	190.93	—	20.84	7.62	5.89	190.95	191.32	191.28	192.14	199.66	236.75	[illegible]	[illegible]	[illegible]
26	Food Retailing (15)	291.92	−0.4	14.11	4.86	8.47	292.96	293.65	293.87	292.67	227.62	332.56	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (12)	385.03	+1.1	24.66	7.56	5.60	380.66	379.42	379.42	379.21	367.88	492.56	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	116.56	−0.3	25.48	9.74	5.06	116.88	117.44	117.57	117.97	130.73	155.12	[illegible]	[illegible]	[illegible]
34	Stores (43)	191.38	—	16.09	5.91	8.03	191.33	192.59	193.31	195.46	189.76	273.48	[illegible]	[illegible]	[illegible]
35	Textiles (23)	125.97	−0.1	28.87	12.83	4.39	126.14	126.34	126.51	127.27	178.39	191.61	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	201.44	−0.5	28.30	11.07	3.99	202.42	202.90	203.90	204.79	236.10	294.86	[illegible]	[illegible]	[illegible]
37	Toys and Games (6)	47.59	+1.0	34.39	15.05	3.67	47.10	47.46	47.46	47.29	91.46	96.89	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (98)	188.19	+0.6	16.63	7.14	7.32	187.01	188.09	188.56	189.68	193.79	234.76	[illegible]	[illegible]	[illegible]
42	Chemicals (18)	281.05	+0.9	17.35	7.09	6.66	278.59	280.80	282.50	285.56	275.26	329.77	[illegible]	[illegible]	[illegible]
43	Pharmaceutical Products (7)	195.40	+0.7	13.03	6.54	9.36	194.12	195.83	196.26	197.85	242.72	285.48	[illegible]	[illegible]	[illegible]
44	Office Equipment (6)	104.61	+1.4	19.08	8.06	6.54	103.12	103.81	103.81	102.90	128.71	153.70	[illegible]	[illegible]	[illegible]
45	Shipping (10)	422.21	+2.2	12.55	7.64	10.17	413.31	413.05	412.54	412.90	406.20	498.47	[illegible]	[illegible]	[illegible]
46	Miscellaneous (57)	218.65	—	17.97	7.21	7.06	218.75	219.48	219.52	220.33	208.63	273.91	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (493)	208.64	+0.3	18.90	7.19	6.56	208.08	208.99	209.61	210.06	216.21	273.01	[illegible]	[illegible]	[illegible]
51	Oils (7)	702.09	+1.9	16.04	6.80	6.74	689.14	695.21	695.28	691.82	505.29	800.25	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	247.61	+0.6	18.30	7.10	6.59	246.12	247.43	248.01	248.17	240.20	308.28	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (117)	182.88	+0.6	—	6.04	—	181.87	182.61	182.80	182.42	167.85	221.25	[illegible]	[illegible]	[illegible]
62	Banks (6)	222.52	+1.1	37.38	5.84	3.42	220.06	222.16	223.44	220.32	195.51	265.89	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	218.71	+0.4	—	9.07	—	217.80	218.05	216.97	216.97	212.93	271.93	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	164.51	−1.0	21.53	5.78	5.88	166.21	167.02	167.84	168.66	163.63	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	155.64	+0.4	—	6.76	—	155.09	154.81	153.61	155.42	133.13	179.94 (4/5)	126.08 (12/2)	194.46 (15/3/72)	44.88 (2/1/75)
66	Insurance (Composite) (8)	121.42	+0.1	—	8.02	—	121.25	121.94	121.94	123.02	122.51	157.45 (4/5)	107.71 (14/11)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (10)	266.51	−0.1	18.71	7.33	7.64	266.86	267.48	267.06	269.30	309.53	352.82 (29/3)	232.59 (30/7)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (14)	90.09	+0.1	—	6.61	—	89.96	89.83	89.72	89.82	77.40	111.51 (8/5)	74.91 (12/2)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (44)	318.61	+0.6	4.14	3.37	34.61	316.72	317.00	317.57	314.66	267.42	385.73 (8/10)	267.26 (2/1)	385.73 (8/10/79)	56.01 (20/4/65)
70	Miscellaneous (10)	121.17	+1.2	15.68	7.47	8.29	119.78	119.94	119.69	120.44	113.84	137.43 (8/5)	109.05 (12/2)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	192.65	+0.5	—	6.36	—	191.75	192.43	192.70	192.72	202.80	248.31 (26/4)	176.91 (15/11)	248.31 (26/4/79)	71.63 (13/12/74)
81	Mining Finance (4)	160.94	+1.7	14.32	5.49	8.48	158.19	156.31	156.59	157.45	101.26	160.94 (28/12)	[illegible] (2/1)	175.90 (28/4/69)	66.31 (30/9/74)
91	Overseas Traders (20)	331.79	−0.4	15.03	7.66	8.07	333.27	336.60	335.93	332.98	292.68	380.98 (29/3)	292.58 (2/1)	380.98 (29/3/79)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	230.76	+0.6	—	6.85	—	229.39	230.46	230.91	230.92	220.22	283.82 (4/5)	218.89 (12/2)	283.82 (4/5/79)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., Dec. 28	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	101.60	+0.14	—	9.32
2	5-15 years	103.79	+0.17	—	11.51
3	Over 15 years	107.31	+0.16	—	14.69
4	Irredeemables	120.45	—	—	14.48
5	All stocks	103.74	+0.15	—	11.85

	FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Fri., Dec. 28	Thurs., Dec. 27	Year ago (approx.)	1979 Highs	1979 Lows
1	Low Coupons	5 years	12.78	12.69	9.69	13.00 (15/11)	8.80 (8/3)
2		15 years	12.71	12.71	11.36	13.15 (18/12)	9.98 (2/4)
3		25 years	12.72	12.72	12.16	13.29 (30/12)	10.16 (17/9)
4	Medium Coupons	5 years	14.51	14.53	12.74	15.33 (18/12)	10.58 (2/4)
5		15 years	14.32	14.33	12.76	14.95 (10/12)	11.22 (4/5)
6		25 years	14.15	14.15	12.76	14.63 (10/12)	11.45 (4/5)
7	High Coupons	5 years	14.72	14.74	12.78	15.76 (10/12)	10.94 (4/5)
8		15 years	14.79	14.80	13.30	15.37 (10/12)	11.61 (4/5)
9		25 years	14.54	14.54	13.32	15.03 (10/12)	11.73 (4/5)
10	Irredeemables		12.16	12.15	11.93	12.98 (8/2)	10.48 (10/4)

		Fri., Dec. 28 Index No.	Yield %	Thur. Dec. 27	Mon. Dec. 24	Fri. Dec. 21	Thur. Dec. 20	Wed. Dec. 19	Tues. Dec. 18	Mon. Dec. 17	Year ago app'x	1979 Highs	1979 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	49.38	†14.98	49.35	49.35	49.34	49.67	49.68	49.66	49.61	64.81	61.88 (4/5)	49.34 (21/12)	113.43 (28/10/65)	57.06 (3/1/75)
16	Investment Trust Prefs. (15)	46.21	14.48	46.21	46.22	46.22	45.78	45.78	45.74	45.74	51.17	53.07 (26/4)	42.80 (16/11)	114.41 (13/8/65)	34.48 (4/12/74)
17	Coml. and Indl. Prefs. (20)	61.19	14.62	61.19	61.12	61.12	61.44	61.44	61.48	61.46	72.58	76.61 (24/4)	58.11 (16/11)	114.96 (7/10/65)	47.67 (6/1/75)

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Industrial Group	31/12/70	128.20
Other Groups	31/12/74	63.75	Miscellaneous Financial	31/12/70	128.06
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering Contractors	31/12/71	153.84	Food Retailing	29/12/67	114.13
Mechanical Engineering	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	16/1/70	144.76	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	135.72	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	All Other	10/4/62	100.00

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 14p, by post 22p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business Publishing Limited, Minster House, Arthur Street, London, EC4R 9AX, at £50 per copy.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (27)

BRITISH FUNDS (1)
Treasury 15¼% 1985
BANKS (2)
First National Gibbs (A.)
CHEMICALS (1)
Carless Capel
STORES (2)
Moss Bros. Wearwell
SOUTH AFRICANS (2)
Gold Fields Prop. Greatermans A
OIL & GAS (5)
Aran Energy Weeks Petroleum
Cambridge Petroleum Do. Ptd. Ord.
Candecca Resources
MINES (14)
East Rand Prop. Cons. Gold Fields
West Rand General Mining
Leslie Union Corp.
Wit. Nigel Lydenburg
Harmony Rustenburg Platinum
Loraine Roan Cons.
Anglo American Gold North Kalgurli

NEW LOWS (21)

AMERICANS (1)
Manufacturers Hanover
BEERS (1)
Distillers
CHEMICALS (1)
Ciba Geigy 8¾% Cnv. '82/85
STORES (1)
Martin The Newsagent
ENGINEERING (3)
Butterfield Harvey Meggitt
Danks Gowerton
INDUSTRIALS (7)
Braby Leslie London & Midland
Bruntons (Muss.) Monument
Change Wares United Guarantee
Downs Surgical
MOTORS (1)
General Motors Units
NEWSPAPERS (1)
Wilson Brothers
TEXTILES (1)
Nova (Jersey)
TRUSTS (2)
Ambrose Inv. Cap. Equity Consort
OVERSEAS TRADERS (2)
Borthwick (Thomas) Great Northern

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 7	Jan. 18	Apr. 10	Apr. 21
Jan. 21	Feb. 1	Apr. 24	May 6
Feb. 4	Feb. 15	May 8	May 19

For rate indications see end of Share Information Service

Calls were dealt in Ladbroke and the Warrants, John Brown, Lonrho, Burmah, Fitch Lovell, Grand Met., Hestair, Dunbee-Combex-Marx, ICI, Free State Saaiplaas, Renold, Dunlop, MIM and Premier Oil. A put was done in Cons. Gold Fields, while a double was arranged in Lonrho.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Gilt & F.I. Tst.	96.9	102.5xd	.....	3.44
Abbey Capital	34.0	36.7	+0.1	5.67
Abbey Income	39.6	42.8	+1.0	8.64
Abbey Inv. Tst. Fund	33.1	35.7	-0.1	6.25
Abbey Gen. Trust	44.4	47.4	+0.1	5.71
Abbey Intl. Bd. Tst.	99.6	103.2	+2.2	4.84
Abbey Am. Gth. Tst.	46.9	49.6	-0.4	3.53
Equitas Prog. Trust	64.2	69.4	+0.2	6.06

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref	90.3	95.1	.....	13.23

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	69.4	74.3	+0.4	6.48
Brit. Inds. Fund	63.6	68.1	+0.2	6.67
Growth & Income	38.7	41.4	+0.1	6.09
Elect. & Ind. Dev.	34.2	36.6	+0.1	5.74
Allied Capital	70.0	74.9	+0.3	5.74
Hambro Fund	106.9	114.4xd	+0.4	6.42
Hambro Acc. Fund	131.5	140.7	+0.3	5.72
Income Funds				
High Yield Fd.	66.1	70.7	.....	10.18
High Income	64.2	68.7	-0.2	8.30
A. H. Eq. Inc.	38.4	41.1	.....	8.49
International Funds				
International	26.8	28.7	+0.2	2.86
Pacific Fund	41.1	44.0xd	.....	2.89
Secs. Of America	57.1	61.1xd	+0.2	2.29
Specialist Funds				
Smaller Co.'s Fd.	45.0	48.2	.....	4.88
2nd Smlr. Co's Fd.	52.7	56.4	-0.1	4.79
Recovery Sits.	105.4	112.8	+0.5	6.89
Met. Min. & C'dty.	50.1	53.6	+0.4	5.50
Overseas Earnings	53.1	57.0xd	+0.2	5.96
Exempt Funds				
Far East Exempt	48.8	50.8xd	+0.5	3.48
Smaller Co. Exempt	66.7	70.0	.....	5.57
U.S.A. Exempt	100.9	104.9	+0.3	3.34

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	51.6	55.8	.....	6.00

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	138.0	148.0	.....	13.05

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

High Yield	40.7	44.3xd	.....	11.39
(Accum. Units)	65.4	71.1xd	.....	11.39
Extra Income Fd.	92.2	100.3	-0.3	10.95
(Accum. Units)	100.0	108.7	-0.3	10.95
High Inc. Fund	36.0	39.2	-0.1	9.47
♦(Accum. Units)	54.0	58.8	-0.2	9.47
(8½% W'drwl. Uts.)	47.6	51.8	-0.2	9.47
Preference Fund	22.1	24.1	.....	13.54
(Accum. Units)	38.4	41.8	.....	13.54
Capital Fund†	22.4	24.4	.....	—
Commodity Fund***	72.1	78.4	.....	3.61
(Accum. Units)	109.2	118.7	.....	3.61
(10% W'drwl. U.)	57.6	62.7	.....	3.61
Fin.&Prop. Fd.*	19.3	21.0	.....	5.48
Giants Fund	36.3	39.5	.....	4.63
(Accum. Units)	44.0	47.9	.....	4.63
Growth Fund	33.8	36.8	+0.2	3.25
(Accum. Units)	41.8	45.5	+0.2	3.25
Smaller Co's Fd.*	27.8	30.3	.....	4.20
Eastern & Intl. Fd.††	27.0	29.4	.....	1.00
(6% W'drwl. Uts.)	19.7	21.5	.....	1.00
Foreign Fund**	91.0	99.0	.....	1.84
N. Amer. & Inc. Fd.††	29.3	31.9	-0.3	1.06
Gilt & Fixed Int.*	41.6	44.6	.....	6.08

Dealings: †Tues. *Weds. ††Thurs. **Second Thurs. in month. ***Weekly dealing day Friday.

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	88.8	94.5xd	.....	5.83

Prices at Dec. 20. Next sub day Jan. 3.

Barclays Unicorn Ltd.♥ (a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544

Unicorn America	30.1	32.3xd	+0.1	2.01
Do. Aust. Acc.	89.3	96.0	+1.2	1.61
Do. Aust. Inc.	68.2	73.9xd	+0.8	1.61
Do. Capital	67.9	73.0	+0.1	3.74
Do. Exempt Tst.	107.1	111.5	-0.2	7.27
Do. Extra Income	26.8	28.9	-0.1	9.96
Do. Financial	73.1	78.6xd	+0.3	4.74
Do. 500	82.8	89.0	-0.5	6.23
Do. General	33.3	35.8	.....	7.03

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Dec. 27	176.8	188.5	.....	6.26

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA. 01-623 8893

Great Winchester	17.1	19.0	.....	6.70
Gt. Winchester O'seas	19.3	21.3	.....	2.52

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	69.7	74.5	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	69.0	72.6	-0.1	5.33

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	24.1	25.3	.....	1.0
Fixed Interest	24.0	25.2	.....	13.4
Growth & Income	24.0	25.2	.....	7.90
Special Sits.	24.4	25.6	-0.2	3.0

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	25.6	27.5	.....	2.36
Accum. Units	31.1	33.4	.....	2.36
J. Finlay High Income	32.4	34.8	.....	9.85
J. Finlay Euro.Fin.	23.9	25.7	.....	4.20
Accum. Units	30.0	31.7	.....	4.20
J. Finlay Fd.In.Tst.	28.3	30.4	.....	5.70
Accum. Units	34.2	36.7	.....	5.70

Prices on Dec. 27. Next dealing Jan. 3.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	51.8	55.0	.....	1.33
American Turnaround	51.4	54.6	.....	2.00
Capital Tst.	48.2	51.2	.....	5.30
(Accum. Units)	48.2	51.2	.....	5.30
Income Tst.	34.0	36.0xd	-0.2	8.86
Int. Growth Fd.	41.2	43.8	.....	2.29
(Accum. Units)	43.6	46.2	.....	2.29

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	44.7	47.8	+0.1	5.33
Do. Accum.	61.6	65.8	.....	5.33

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Dec. 6	103.9	104.9	.....	5.53
Gross Inc. Dec. 6	73.4	75.1	.....	11.05
High Yield Dec. 6	81.3	81.9	.....	10.50

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD. 01-628 8131

G.T. Cap. Income	103.4	109.9	-0.1	3.70
Do. Acc.	128.3	136.4	-0.2	3.70
G.T. Inc. Fd. Un.	161.4	171.6	-1.5	8.90
G.T. U.S. & Gen.	140.2	149.1	-0.6	2.40
GT Wld. Bd. Fd.	98.2	100.9	.....	5.30
G.T. Japan & Gen.	72.4	76.6	+0.2	2.80
♦Gt. Pens. Ex. Fd.	224.8	236.0	.....	3.3
G.T. Int'l. Fund	161.4	171.7	+1.6	2.00
G.T. Four Yds. Fd.	47.2	50.2xd	.....	8.90
G.T. Far East & Gen.	48.8	52.4	+0.5	3.70

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	33.0	35.2	+0.2	5.91

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP. 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	26.2	28.2xd	+0.2	1.09
British Tst. (Acc.)	56.6	60.9	-0.3	4.65
Commodity Share	33.4	35.9xd	+0.8	3.90
Extra Income Tst.	20.6	22.2	-0.1	10.36
Far East Trust	31.8	34.2	-0.3	3.26
High Income Tst.	50.9	54.8	.....	10.71
Income Fund	68.7	73.9	-0.3	7.98
Ins. Agencies	£13.79	14.71	+0.05	4.74
Intl. Exempt Fd.	85.8	91.9	-0.1	7.28
Intl. Tst. (Acc.)	30.9	33.2	+0.5	1.41
Special Sits. Tst.	24.0	25.9	.....	3.36

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2. 01-588 4111

Extra Income	27.4	29.4	+0.1	10.80
Income	38.7	42.1	.....	10.40
Accumulation	69.3	73.3	.....	4.50
Growth	39.6	43.1xd	+0.1	5.30
Capital	41.1	44.7xd	+0.3	4.90
Small Co's	42.6	46.3	.....	4.90
Technology	61.4	66.8	-0.2	3.90
Private	41.0	44.6	.....	2.50
Intl. Eme. & Assets	46.2	50.2xd	-0.2	4.20
American	26.3	28.3	-0.1	2.30
Far East & Gen.	27.2	29.3xd	+0.1	2.40

Govett (John)♥
77 London Wall, EC2. 01-588 5620

Stockholder Dec. 28	111.8	119.9xd	-1.4	3.08
Do. Accum. Unit	141.3	148.9	-2.1	3.08

Next dealing Jan. 11.

Grieveson Management Co. Ltd.
59 Gresham Street, EC2P 2DS. 01-606 4433

Barrington Dec. 27	232.2	252.7	.....	5.95
(Accum. Units)	262.5	274.4	.....	5.95

INSURANCE PROPERTY BONDS

Scottish Widows' Group
PO Box 902, Edinburgh EH16 5BU. 031-655 6000

Inv. Pty. Dec. 21	115.5	115.5	.....	—
Inv. Pty. Sr. Dec. 21	108.6	114.4	.....	—
Inv. Cash Dec. 21	108.7	114.5	.....	—
Ext. Ut. Acc. Dec. 19	144.5	150.7	.....	—
Ext. Ut. Inc. Dec. 19	128.5	134.0	.....	—
Pen. Man. Dec. 19	289.7	289.7	.....	—

Skandia Life Assurance Co. Ltd.
161-166 Fleet St., London EC4 2DY. 01-353 8511

Managed Acc.	89.2	93.9	+0.1	—
Equity Acc.	90.0	94.7	+0.1	—
Gilt Plus Acc.	86.3	90.8	+0.1	—
Pens. Managed Acc.	90.8	95.6	+0.1	—
Pens. Equity Acc.	91.7	96.5	+0.1	—

For Prices of other Units and Guaranteed Basis Rates please Phone 01-353 8511.

Solar Life Assurance Limited
10/12, Ely Place, London, EC1N 6TT. 01-242 2905

Managed	134.4	141.5	+0.3	—
Property	128.9	135.7	+0.1	—
Equity	179.1	188.6	+0.9	—
Fixed Interest	114.5	120.6	.....	—
Cash	111.8	117.7	.....	—
International	97.0	102.2	.....	—
Distribution	98.8	104.0	.....	11.21

Prices for Series 1 single premium plans will be fractionally higher than those above.

Standard Life Assurance Company♥
3 George St., Edinburgh EH2 2XZ. 031-225 7971.

Managed	98.6	103.8	-0.2	—
Property	96.3	101.4	.....	—
Equity	100.5	105.8	-0.2	—
International	96.9	102.0	-1.0	—
Fixed Interest	97.1	102.3	+0.1	—
Cash	96.5	101.6	.....	—

Sun Alliance Fund Mangmt. Ltd.
Sun Alliance House, Horsham. 0403 64141

Exp. Fd. Int. Dec. 12	£151.4	159.9	.....	—
Int. Bd. Dec. 28		£9.26	-0.15	—

Sun Alliance Linked Life Ins. Ltd.
Sun Alliance House, Horsham. 0403 64141

Equity Fund	146.7	154.5	-0.2	—
Fixed Interest Fd.	109.5	115.3	.....	—
Property Fund	140.8	148.3	+0.3	—
International Fd.	85.4	89.9	-0.1	—
Deposit Fund	107.6	113.3	.....	—
Managed Fund	118.5	124.8	.....	—

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH. 01-930 5400

Maple Lf. Grth.		211.6	.....	—
Maple Lf. Mangd.		137.8	.....	—
Maple Lf. Eqty.		132.2	.....	—
Persnl. Pn. Fd.		216.2	.....	—
Pens. Man. Cap.	96.4	102.1	.....	—
Pens. Man. Acc.	101.4	107.4	.....	—

Target Life Assurance Co. Ltd.
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

Man. Fund Inc.	105.1	110.6	.....	—
Man. Fund Acc.	130.9	137.8	.....	—
Prop. Fd. Inc.	128.9	135.7	.....	—

OFFSHORE & OVERSEAS FUNDS

Capital International S.A.
37 rue Notre-Dame, Luxembourg.

Capital Int. Fund	US$20.58	.....	—

Charterhouse Japhet
1 Paternoster Row, EC4. 01-248 3999

Adiropa	DM32.33	20.64	+0.10	4.55
Adiverba	DM46.57	48.63	+0.28	3.35
Fondak	DM29.30	29.73	+0.23	4.37
Fondis	DM19.51	20.59	+0.10	3.98
Emperor Fund	$4.20	4.95	.....	—
Hispano	$42.06	44.18	.....	1.67

Clive Investments (Jersey) Ltd.
P.O. Box 86, St. Peter Port, Guernsey. 0481 26521

C. H. Gilt Growth Fd.*	9.57	9.60	+0.01	3.60
Clive Gilt Fd. (C.I.)	£9.66	9.69	.....	12.38
Clive Gilt Fd. (Jsy.)	£9.61	9.64	.....	12.45

*Daily Dealings.

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey

Intnl. Man. Fd.	174.0	189.5	.....	—

DWS Deutsche Ges. F. Wertpapiersp
Grueneburgweg 113, 6000 Frankfurt.

Investa	DM32.10	33.80	+0.20

Delta Group
P.O. Box 3012, Nassau, Bahamas

Delt. Inv. Dec. 28	US$2.72	2.85	.....	—

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt.

Concentra	DM18.90	19.70	+0.10	—
Int. Rentenfonds	DM63.50	66.40	.....	—

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.

NAV Dec. 28	US$21.95	23.34	.....	—

Emson & Dudley Tst. Mgt. Jrsy. Ltd.
P.O. Box 73, St. Helier, Jersey. 0534 73933

E.D.I.C.T.	117.8	125.2	.....	2.20

The English Association
4 Fore Street, EC2. 01-588 7081

E. A. Income Fund*	46.7	49.7	+0.3	8.55
E. A. Sterling*	£56.90	56.92	.....	—
E. A. Equity*	£47.61	50.87	+0.27	2.46
Wardgate Cm. Fd.**	£15.04	15.65	.....	2.56

*Next dealing Jan. 2. **Next dealing Jan. 2.

Eurobond Holdings N.V.
Handelskade 24, Willemstad, Curacao
London Agents: Intel, 15 Christopher St., EC2. Tel. 01-247 7243. Telex: 8814408.

Euro Hldgs.	US$19.50	20.27	+0.07	11.10

F. & C. Mgmt. Ltd., Inv. Advisers.
1-2, Laurence Pountney Hill, EC4R 0BA. 01-623 4680. Prices Dec. 19. Weekly dealings.

Centenary Fd.	US$7.51	.....	1.60
F. & C. Oriental Fd.	US$10.09	.....	—

Fidelity Mgmt. & Res. (Bda.) Ltd.

Continued on previous page

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Over Fifteen Years

Undated

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COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

103¾	96	FFI 13pc 1981	97¼	......	13.37	15.64
108¾	94	Do 14pc '83	95½	......	14.65	15.52
86½	77½	ICFC 5½pc Deb. '80-82	81	......	6.93	14.60
85	69	Do. 6¾pc Db '81-84	72	......	3.74	14.50
99	79½	Do. 10½pc Uns Ln. '86	80½xd	......	13.04	15.60
99	79	Do. 11pc Uns.Ln. '88	80xd	......	13.75	14.90
101½	80	Do 11¾pc Uns Ln '90	81¼xd	......	14.37	15.40
77½	58½	Do 7¼pcA Deb. '89-92	56½	......	12.90	15.10
69	53	Do 7½pcA Db. '91-94	56½	......	13.32	15.00
67	64	Do. 9pc 'A' '91-94	67	......	14.43	15.05
78½	61½	Do. 8½pc Ln. '92-97	65½	+½	14.37	15.00
102	85	Do 12½pc Uns Ln. 1992	89	+½	14.49	—

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

110	59	Clive Dis'nt 20p	64	......	5.33	—	11.9	—
224	121	Com'l Aus. ($A1)	127	−2	Q18c	3.0	7.2	4.6
£17½	930	Com'zbk DM 10	950	+13	Q26%	—	7.5	—
£15½	900	C'hgn. Hdl. Kr100	£10	......	Q12%	—	11.7	—
41	20	Corinthian 10p	27	......	†1.05	5.9	5.6	3.1
£24¼	£15	Cred. France F75	£19¾	......	Q9.87%	—	3.3	—
11	5	Dawes (G. R.)	9	......	—	—	—	—
£115¼	£62½	Deutsche Bank DM50	£67½	+½	Q12%	—	5.4	—
90	55	F. C. Finance	62	......	2.2	4.9	5.1	5.7
10¼	5¼	First Nat. 10p	10¼	+¼	—	—	—	0.7
4	1½	Do. Wrts. 75-83	2¾	......	—	—	—	—
266	178	Gerrard Natnl.	210	+2	†9.12	—	6.2	—
72	36	Gibbs (A.)	72	+2	2.2	—	4.4	—
270	185	Gillett Bros. £1	196	......	†16.95	—	12.4	—

BANKS & HP—Continued

Hire Purchase, etc.

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FINANCE

[illegible]

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MINES—Continued

CENTRAL AFRICAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
510	132	Falcon Rh 50c	510	+10	Q100c	ϕ	13.5
48	11	Rhod'n Corp. 16½p	47	......	0.56	6.5	1.7
210	70	Roan Cons. K4	210	+15	Q0.125	ϕ	3.6
67	26	Wankie Col. Rh.1	61	+1	Q9c	1.5	10.2
54	9	Zam.Cpr. SBD0.24	35	+3	—	—	—

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28	18	Acmex 50c	23	......	—	—	—
16	4	ACM 20c	15	+1	—	—	—
62	50	Bond Corp.	80	......	Q3.75	2.2	2.4
171	100	Bougainville 50 Toea	130	+4	†Q15c	1.0	6.2
212	84	BH South 50c	208	+6	ϕ—	—	—
£17¼	340	Central Pacific	£16	−½	—	—	—
318	170	Conzinc Riotinto 50c	250	+3	NQ10c	2.0	2.1
36	14	Cultus Pacific N.L.	17	......	—	—	—
*29½	2½	Eagle Corp. 10c	25	......	—	—	—
21½	11	Endeavour 20c	19½	+1½	—	—	—
183	62	G. M. Kalgoorlie 25c	182	+1	Q5c	—	0.8
305	148	Hampton Areas 5p.	255	+10	3.5	2.8	2.0
75	20	Haoma Gold N.L.	31	+1	—	—	—
71½	25	Metals Ex. 50c	41	......	—	—	—
220	134	M.I.M. Hldgs. 50c	208	+15	bQ16.1c	1.8	4.0
25	15	Minefields Expl.	20	......	—	—	—
78	30	Mount Lyell 25c	60	......	—	—	—
44	13	Newmetal 20c	19	......	—	—	—
167	91	North B. Hill 50c	145	+3	Q12c	1.4	4.2
40	4½	Nth. Kalgurli	40	+4	—	—	—
155	45	Nth. Mining Corp.	153	−2	—	—	—
71	28	N. West Mining N.L.	27½	+1½	—	—	—
190	76	Oakbridge SA1	186	......	Q12c	4.7	3.4
110	22	Oilmin N. L.	94	......	—	—	—
128	58	Pacific Copper	128	+4	—	—	—
*585	101	Pancont'l 25c	305	−15	—	—	—
60	15½	Paringa M&Ex. 5p	59	+1	—	—	—
450	246½	Peko-Wallsend 50c	425	+30	tQ17.5c	ϕ	2.1
202	125	Seltrust A	150	......	—	—	—
715	145	Southern Pacific	630	+10	—	—	—
*36	8½	Swan Resources 20c	34	......	—	—	—
16	12	West Coast 25c	13	......	—	—	—
205	121	Western Mining 50c	175	+2	Q7c	1.6	2.2
11	8	Westmex	10	......	—	—	—
70	40	Whim Creek 20c	54	+2	—	—	—
25	15	York Resources	13	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	25	Amal. Nigeria	27	......	1.0	1.9	5.3
435	265	Ayer Hitam SM1	280	......	Q290c	0.9	25.2
72	48	Beralt Tin	49xd	+½	4.5	ϕ	13.1
270	155	Berjuntai SM1	165	......	Q95c	1.0	13.4
190	125	Geevor	153xd	+1	8.71	3.1	8.1
10½	8	Gold & Base 12½p	10	......	—	—	—
365	295	Gopeng Cons.	310	......	217.0	ϕ	7.8
370	269	Hongkong	300	......	35.87	ϕ	17.1
98	64	Idris 10p	90	......	†8.0	1.6	12.7
15	9½	Jantar 12½p	15	......	—	—	—
95	38	Kamunting SM0.50	65xd	+1	Q47½c	1.1	16.4
620	210	Killinghall SM1	300	......	Z060c	—	4.5
530	365	Malay Dredging SM1	485	......	†Q105c	2.6	4.9
57	26	Pahang	27	+1	0.44	0.3	2.4
123	60	Penokalen 10p	108	......	Z4.0	ϕ	3.4
275	195	Petaling SM1	230	......	Q150c	ϕ	14.6
87	53	Saint Piran	54xd	−2	‡2.5	6.4	‡
58	34	South Crofty 10p	42xd	......	‡3.0	2.0	‡
230	170	South Kinta SM0.50	180xd	......	Q150c	1.0	18.7
430	265	Sthn Malayan SM1	340	......	Q175c	2.1	11.6
310	210	Sungei Besi SM1	215xd	−3	†Q520c	1.0	54.5
75	25	Supreme Corp. SM1	28	......	Z010c	—	7.7
105	93	Tanjong 15p	97	−1	7.5	0.7	11.0
115	90	Tongkah H. Tin	95	+5	Q45c	1.3	10.6
280	190	Tronoh SM1	220	......	†Q25c	5.2	2.6

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
132	56	Messina R0.50	125xd	−3	Q10c	ϕ	4.6

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	53	Barymin	57	−4	—	—	—
14½	10	Burma Mines 17½p	12	......	—	—	—
365	170	Cons. Murch. 10c.	310xd	+8	Q100c	ϕ	18.5
440	280	Northgate C$1	415	+45	—	—	—
362	225	R.T.Z.	326	+4	†11.5	3.4	5.0
31	12	Robert Mines	13	......	—	—	—
65	26	Sabina Inds. C$1	25	+2	—	—	—
680	470	Tara Expln. $1	470	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♀ Regional price.
- ¥ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 20

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	26	......
Berlam	16	......
Bdg'wtr. Est. 50p	350	......
Clover Croft	32	......
Craig & Rose £1	£10½	......
Dyson (R. A.) A	8	......
Fife Forge	44	−1½
Finlay Pkg. 5p	19	......
Graig Ship. £1	800	......
Higsons Brew.	75	......
Holt (Jos) 25p	250	−5
I.O.M. Stm. £1	155	......
Pearce (C. H.)	355	......
Peel Mills	29	......
Sheff. Refrshmt	98	......
Sindall (Wm.)	165	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£85¾	......
Nat. 9¾% 84/89	£69¼xd	......
Fin. 13% 97/02	£82½	......
Alliance Gas	66	......
Arnott	350	......
Carroll (P.J.)	50½xd	......
Clondalkin	80	......
Concrete Prods.	78	......
Heiton (Hldgs.)	33	......
Ins. Corp.	200	......
Irish Ropes	72½xd	+2
Jacob	33	......
T.M.G.	138	......
Unidare	83	......

OPTIONS

3-month Call Rates

Stock	Rate
Industrials	
A. Brew	8
BOC Intl.	6
B.S.R.	5
Babcock	12
Barclays Bank	30
Beecham	13
Blue Circle	25
Boots	17
Bowaters	16
B.A.T.	25
Brown (J.)	7½
Burton 'A'	25
Cadburys	5½
Courtaulds	8
Debenhams	8
Distillers	21
Dunlop	6
Eagle Star	14
E.M.I.	12
Gen. Accident	21
Gen. Electric	35
Glaxo	40
Grand Met	13
G.U.S. 'A'	30
Guardian	23
G.K.N.	22
Hawker Sidd	16
House of Fraser	14
I.C.I.	20
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I.C.L.	45
Invereśk	5
KCA	3½
Ladbroke	17
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Lonrho	6
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A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday December 29 1979

Choosing the man of the decade

BY MALCOLM RUTHERFORD

THE FINANCIAL TIMES first named a man of the year in 1970 when the choice was M. Jean Rey, president of the Brussels Commission.

The award then lapsed but resumed in 1972 with the selection of Dr. Henry Kissinger. Since then we have chosen King Feisal of Saudi Arabia (1973), Sir Harold Wilson (1974), Herr Helmut Schmidt (1975), Mr. Jimmy Carter, as U.S. President-elect (1976), President Anwar Sadat of Egypt (1977) and Deng Xiaoping, Senior Vice-Premier of China, last year.

In retrospect, one or two of the decisions look a little odd. M. Rey, one of the founding fathers of the European Community, was an admirable man, but there is no particular reason to think that 1970 was the year of his greatest achievements.

Even odder was the verdict recorded on Harold Wilson after the two general elections in 1974. "A serious consideration of the possible alternatives," we wrote, "leads to the conclusion that Mr. Wilson may very well be the most convincing leader that Western democracy can display at the present time."

That was the year Chancellor Schmidt took office in West Germany and President Giscard d'Estaing in France.

By and large, however, the selection reflects the events, and occasionally the achievements, of the decade: the growing importance of the Middle East, the greater power and influence of West Germany and the emergence of China on the world scene. The relative decline of the U.S. owes something to the final period of President Richard Nixon but cannot be attributed to him alone.

The underlying themes are rather the concern about energy and inflation and perhaps the breaking up of the world order

THREE CANDIDATES: Professor Milton Freidman, U.S. economist (left), Mr. Soichiro Honda, founder of Honda Motor Company of Japan (middle), and President Anwar Sadat of Egypt (right).

as we had known it since the end of the war. The candidate who never quite made it, although usually in with a chance, was President Leonid Brezhnev of the Soviet Union.

If we were to make the choice for 1979, it would lie between the Ayatollah Khomeini, Pope John Paul II and Mrs. Margaret Thatcher. Again the themes can be identified.

The Ayatollah would have made less of a world impact if he had come to power in a non-oil producing country. Both he and the Pope would have received less acclaim if there had been less disillusion with secular post-war values.

Mrs. Thatcher has staked her political all on reducing inflation and restoring something of the order and confidence of the 1950s. All three are in their way fundamentalists.

None of them has been chosen, because it is too early to make a judgment. They remain candidates for 1980, and perhaps for the 1980s.

Besides, the task at the end of 1979 is to find a man of the decade. The search goes well beyond those involved in politics. Who dominated the 1970s the way Keynes, Marx or Freud must have dominated some period in the past, although it is hard to say precisely which?

The economics candidte is Professor Milton Friedman, now so frequently and so fashionably juxtaposed to Keynes. Yet his most influential work was done before the decade began. Through no fault of his own his theories have never been fully tested and, as he himself has admitted, the conquest of inflation is essentially a matter of politcal will. He is a candidate, but that is all.

Where economics fails, the answer might be found in science and technology. If there had been any single inventor of the microchip, he would be a strong runner—although perhaps more for the 1980s. But there was not: the development of the chip was a cumulative process which is not yet complete.

On the more popular level of engineering there is a candidate in Mr. Soichira Honda, now "supreme adviser" to the company which bears his name. An unorthodox Japanese, Mr. Honda began his business by attaching small engines to the crossbars of old bicycles and became the world's largest producer of motorcycles. In the 1970s he entered the world car league. Yet it would be hard to pretend that the Honda car was a symbol of the decade the way the Honda motorcycle was a symbol of the 1950s and 1960s. Mr. Honda is a candidate, but again only that.

Other sciences, including medicine, appear to have produced no epoch-making discoveries and in so far as they have broken new ground we have become increasingly aware of the cost of development. Most things no doubt are achievable in theory, but only at a price: witness the economic failure of Concorde, the abandoning of Maplin and the slowing down of the space programme. There may be a prophet who can instruct us in how better to use our resources, but it is not clear who he is.

Literature and the arts, although far from barren, have also failed to produce any name that could be identified with the decade. Indeed it is hard to think even of a popular song that goes with the 1970s in the way that the Beatles' repertoire went with the early 1960s, not just here but around the world.

So one returns to politics. President Brezhnev has presided over the emergence of the Soviet Union as a global power, in some ways militarily the equal of the U.S., which at least is a performance worthy of note. It is not matched by any comparable economic, or political, success at home. His succession remains in doubt, and with that his mark on Soviet history.

Chancellor Schmidt certainly has achievements, although largely built on those of Adenauer, Erhard and Brandt before him. His achievements in Europe would have been impossible without the close co-operation of France. Chancellor Schmidt and President Giscard are the Europeans of the 1970s, but Europe is not the world.

The outstanding candidate is President Sadat. He has ruled Egypt since 1970, which is itself remarkable. He made a war on Israel in which the Arabs recovered their self-esteem. Then he did the unthinkable by going to Jerusalem and eventually signing a peace treaty. If daring or ingenuity were the test, President Sadat would win hands down.

Yet the situation in the Middle East remains precarious. The peace treaty split te Arab world without resolving the Palestinian question, and the Egyptian economy has failed to respond to the promise of take-off. Arab dissensions may be just as much of a threat to world stability in the 1980s as Arab solidarity was feared to be in the early 1970s.

The 1980s indeed threaten to be as dominated by the Middle East and the related problems of energy and inflation as the decade before has been. Their resolution requires a mixture of politician, statesman, economist, technologist, scientist and engineer — and perhaps other qualities besides — or at least someone who can marshall such a team.

In the 1970s no fully qualified candidate emerged, which is why we have reluctantly decided that there is no man of the decade.

More petrol prices rise

BY SUE CAMERON

SIX OIL companies, following the lead of Esso on Thursday, have raised prices of their petrol and other oil products. The increases in wholesale prices of four-star petrol of between 1.8p and 2.2p a gallon will mean about 3p extra on pump prices.

BP il. Mobil, Texaco, Burmah and Petrofina have put up their petrol and other oil product prices—mostly from midnight last night and warned that further increases are in the pipeline.

Meanwhile Shell, which raised its petrol prices at the end of November, has put up its prices on heavy, medium and light fuel ils by 2.7p a gallon.

All the oil companies described yesterday's rises as interim increases to cover the higher price of North Sea and Middle Eastern crude oils announced before the meeting of the Organisatoin of Petroleum Exporting Countries in Venezuela earlier this month.

The oil companies said that when the meeting's full impact on crude prices became clear, a further rise in the price of petrol and other oil products is almost certain.

BP Oil has put up its wholesale price of four-star petrol by 1.8p a gallon, economy by 2.3p, regular by 2.7p, derv by 2.7p, gas oil by 3p, all grades of kerosine by 2.7p, light fuel oil by 2.7p, medium fuel oil by 2.5p and heavy fuel oil by 2.3p. It has raised the wholesale price for customers with their own storage by 1.4p a gallon for four-star petrol, 1.8p for three-star and 2p for two-star.

Texaco, which ranks fourth after BP in UK petrol sales, has put up its wholesale price of all grades of petrol by 1.9p a gallon and its retail prices of derv by 2.7p, commercial consumer derv by 2p, gas oil by 2p, burning oil by 3p and fuel oil by 2.3p.

Mobil, which is thought to be fifth in UK petrol sales, has increased its wholesale price per gallon of petrol and diesel by 2.7p, burning oil by 2.7p, gas oil by 1.8p, light fuel oil by 5.4p, medium fuel oil by 4.5p and heavy fuel oil by 4p.

Petrofina has put up its wholesale price per gallon of retail petrol by 2.2p, commercial grades of petrol by 3.3p, kerosine by 2.2p, retail derv by 1.8p, commercial derv and gas oil by 2.9p and fuel oil by 3.1p.

Burmah has increased the wholesale price of all its oil products by 2p a gallon.

BP Oil, which takes about half its UK crude requirements from the North Sea, said that crude oil price rises had averaged about $2 a barrel since October.

Mobil, which takes 45.1 per cent of its UK crude from Saudi Arabia and the rest from the Beryl field in the North Sea, said its price rises were also the result of higher crude oil prices. Saudi Arabia has raised its crude oil price by $6 a barrel, backdated to November 1.

The Motor Agents Association said yesterday that there was still "widespread competition" on petrol prices.

State aids councils hit by floods

FINANCIAL TIMES REPORTER

THE GOVERNMENT yesterday promised cash aid to local authorities facing big bills as a result of Thursday's storm damage, which hit many areas in Britain, particularly South Wales and South-West England.

Mr. Marcus Fox, Environment Under-Secretary, said councils would receive 75 per cent of their spending above the product of a penny rate. He called for immediate reports on flood-hit areas and also offered councils any equipment they might need in clearing-up operations.

"I am really impressed with the way in which authorities and emergency services are volunteering to deal with the problems," he said.

In South Wales local government, business and householders were yesterday beginning to count the cost, running into millions of pounds, of the worst floods in the area for at least 20 years.

Three, probably four, people lost their lives and thousands of homes and business premises were inundated by floodwaters, after a deluge of up to six inches of rainfall in 12 hours across a wide area of Glamorgan, Gwent and Dyfed.

Mr. Nicholas Edwards, Welsh Secretary, yesterday toured parts of South Wales severely hit by the floods, Merthyr Tydfil, Trehafod and Cardiff.

In South-West England people had to be evacuated from their homes at Northover, Somerset, when the River Yeo burst its banks, and a Wessex Water Authority spokesman reported that at Sutton Bingham, near Yeovil, four inches of rain had fallen in a 24-hour period. In Wiltshire, the town centres of Trowbridge and Bradford-on-Avon were blocked by river floodwater.

Cumbria had an average week's rainfall in 24 hours and floods of up to six feet in some places. Many roads in the north and Midlands were flooded and there were reports fo floods five feet deep in Warwickshire.

The floods will almost certainly have a considerable impact on insurance company results for 1979, although the British Insurance Association stated yesterday that it was too early to estimate the cost of the damage.

At present, the insurance industry, through local offices and the BIA, has been advising householders affected by the floods to carry out emergency repairs and do what they can to salvage property. Most household buildings policies and all contents policies include flood cover, although householders usually have to pay the first £15 of damage to buildings. All reasonable costs for necessary temporary repairs are considered part of the insurance claim and the BIA advised householders to keep a careful record of these expenses.

Damage to cars is not covered by household insurance, even if the car involved was in the garage. Insurance companies are liable only if the motorist has comprehensive cover. The association advises all motorists whose cars were caught by floods to have them checked before driving them. In cases of severe flooding, the car could be a total write-off.

Lloyd's drops plan to curb syndicates

BY JOHN MOORE

LLOYDS OF LONDON, the UK's leading insurance market, has abandoned attempts to prevent any single underwriting syndicate securing a dominant position in one type of insurance business.

The plan to prevent syndicates becoming too large, which was announced in June by Mr. Ian Findlay, Lloyd's chairman, has been dropped after consultations with the market associations which represent the Lloyd's underwriters' interests.

Mr. Findlay has told the 17,278 members of Lloyd's that the concept "carries little support in the market" so the 16-strong ruling committee "has decided not to implement any formal scheme, but the position will be kept under review."

The collapse of the plan has come after lobbying by some of the most powerful underwriters and other Lloyd's interests in the market and marks a victory for the traditionalists.

In June, Mr. Findlay had said that "it would be detrimental for any one syndicate to become so large that it dominated the whole of its market," whether in marine, aviation, motor, or other specialist classes of insurance.

Syndicates are composed of private individuals who back the Lloyd's market with their own wealth and allow it to accept nisurance business. The more members there are on an individual syndicate the more business that syndicate can accept. Some syndicates are made up of a few hundred members; others can comprise a few thousand.

Changes by Morgan Grenfell

By Michael Lafferty, Banking Correspondent

MORGAN GRENFELL, one of the City's largest merchant banks, is planning a new international strategy under which many of its existing overseas representative offices will be converted into local banks.

Mr. Christopher Reeves, Morgan Grenfell's new group chief executive, says that all the bank's present representative offices, based in some 19 centres around the world, will come under scrutiny in a review he is undertaking.

The likely outcome is that many of the offices will be converted into trading operations, reflecting in other centres the same range of services as Morgan Grenfell offers in London.

In New York, however, Morgan Grenfell will have to remain as a representative office because of its connection with Morgan Guaranty, the New York bank which owns a third of its capital.

In London, Morgan Grenfell is planning to expand its bond department, which at present employs 25 people. A further 10 are to be recruited this year to cope with additional business.

Mr. Reeves also threw some light on the future role of Mr. Bill Mackworth-Young, his predecessor as chief executive, who now becomes chairman of the main merchant banking subsidiary of Morgan Grenfell. He will be "masterminding one or two big corporate finance jobs" each year.

Emphasis on international expansion, Page 3
Appointments, Page 15

Continued from Page 1

North Sea oil

pricing moderate at the recent Caracas meeting, is to raise its crude prices by $4 a barrel in two stages, according to industry reports.

The first increase is said to be $2 a barrel, retroactive to November 1. The second rise of a similar amount is being backdated to December 1. The increases put the price of Iraq's main light crude oil at about $26 a barrel, roughly midway between prices set by Saudi Arabia, the leading "dove," and Iran, one of the principal pricing "hawks."

Indonesia's state oil corporation, Pertamina, has notified Japanese oil refiners and importers that its prices will be raised by $2 a barrel from January 1. Indonesia's standard type of Minas crude oil will thus cost $27.50 a barrel.

Venezuela yesterday joined those exporters which have been readjusting their price levels after the OPEC meeting. The Government announced that from January 1 the average price would be $26 a barrel

Weather

UK TODAY

WINTRY showers. Some sunshine. Rather cold with frost.

London, C.S. and C.N.E. England Midlands

Sunny periods. Wintry showers. Frost early and late. Max. 4C (39F).

S.E. and E. England, E. Anglia

Wintry showers. Sunny intervals. Frost. Fresh winds. Max. 4C (39F).

Channel Is., W. England, Wales, I. of Man, N. Ireland

Sunny intervals, wintry showers. Frost. Max. 6C (43F).

Lakes, N.E. England, Borders, S. C. and N.W. Scotland

Heavy wintry showers. Frost early and late. Max. 4C (39F).

Rest of Scotland

Sleet or snow. Bright intervals. Cold. Max. 2C (36F).

Outlook: Wintry showers. Cold. Widespread frost.

WORLDWIDE

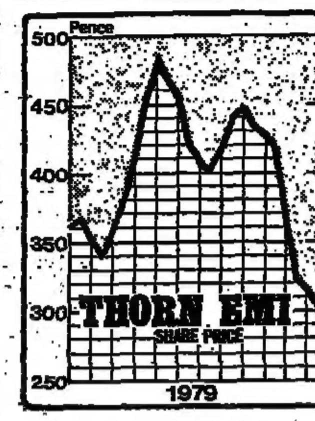
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	9	48	Lisbon	F	13	55
Algiers	S	16	61	London	F	6	43
Amsdm.	R	5	41	Luxmbg.	R	3	37
Athens	C	10	50	Luxor	S	19	66
Bercina.	S	14	57	Madrid	C	8	46
Beirut	R	10	50	Majorca	F	15	59
Belgrd.	S	3	37	Malaga	F	16	61
Berlin	C	3	37	Malta	F	15	59
Belfast	F	3	37	M'chstr	F	6	43
Biarritz	R	8	46	Melbne.	S	35	95
Blackp'l	F	7	45	Mex. C.	S	20	68
Bordx.	F	10	50	Milan	R	4	39
Boulgn.	C	5	41	Mntreal	C	4	28
Bristol	S	6	43	Moscow	C	−5	23
Brussels	R	5	41	Munich	C	0	32
Budpst.	C	−1	30	Nairobi	R	22	72
B. Aires	S	31	88	Naples	F	10	50
Cairo	S	17	63	Nwcstl.	F	3	37
Cardiff	S	6	43	N. York	S	5	41
Casbca.	S	16	61	Nice	R	7	45
Cape T.	S	25	77	Oporto	F	13	55
Chicago	C	0	32	Oslo	Fg	2	36
Cologne	C	8	46	Paris	C	3	37
Conhgn.	R	3	37	Perth	S	33	91
Corfu	F	12	54	Reykjvk.	S	−7	19
Dublin	F	4	39	Rhodes	S	12	54
Dbrvnk.	C	9	48	Rio J'o	C	25	77
Ednbgh.	S	4	39	Rome	R	10	50
Faro	C	17	63	Salzbrg.	C	−2	28
Florence	C	9	48	Singapr.	S	31	87
Frankf't	C	7	45	Stckhm.	R	2	36
Funchal	C	18	64	Strasbg.	F	10	50
Geneva	C	7	45	Sydney	C	35	75
G'rnsey	F	8	46	Tangier	F	14	57
Helsinki	C	0	32	Tel Aviv	C	14	57
H. Kong	S	20	68	Tenerife	F	15	59
Innsbrk.	R	1	34	Tokyo	S	10	50
Invrnss.	F	2	36	Toronto	S	2	36
Istanbul	C	2	36	Tunis	C	15	59
Jersey	S	8	46	Valencia	S	14	57
Jo'burg	C	21	70	Venice	C	4	39
L. Plms.	C	19	66	Vienna	Sn	−1	30

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

A prickly time for Thorn

Index rose 3.1 to 417.8



Since Thorn sprung its first offer for EMI on a sceptical world in October, its share price has declined from 420p to 280p, a drop of 32 per cent. The All-Share Index has fallen a little less than 9 per cent over the same period. The final offer was pushed through amid widespread criticism of inadequate consultation, and the underwriting institutions found heavy demand for the 330p cash alternative rather than the new Thorn shares. This has made some of them overweight in Thorn, which is likely to prevent the price rising significantly above 330p in the near-term.

At yesterday's price, Thorn combined with EMI has a market capitalisation of £561m, compared with £587m for Thorn alone in October. Adjusting by the fall in the All-Share, the market by implication estimates the value of EMI to Thorn at just below £25m.

Even a limited recovery is the share price is unlikely unless the Board begins to make positive noises about disposing some of the more awkward pieces of EMI. This is because Thorn's own TV rental business is poised to make heavy cash demands in the next three or four years.

The EMI acquisition has already pushed up gearing from 10 per cent to 30 per cent and htis could rise further even assuming large disposals. Without such disposals the gearing would begin to look positively high. The dramatic change in the company's financial position, so that it can no longer rely on a high self-financing ratio, is probably the key cause of the downgrading of the share price. On October 16 the historic yield was 4.5 per cent. Now it is 6.6 per cent.

Liggett

Just before Christmas, Grand Metropolitan filed a statement under the Hart-Scott-Rodino anti-trust act in the U.S. to the effect that it had built up a stake in the Liggett Group worth $15m—4.4 per cent of the company. The statement was hedged about with the disclaimer that it had no intention of participating in the management of Liggett which, as the U.S. distributor of J & B whisky, is an important customer for Grand Met.

If this really is the case, and if Grand Met does not intend to take its holding above 10 per cent, then there was no need to file a statement in the first place. The implication is that Grand Met is considering going further and wants to keep all its options open. It is, after all, no secret that the group is looking for U.S. acquisitions.

Liggett's attempts to move away from cigarettes have brought fundamental changes in its character over the past few years. The sale of its foreign cigarette interests to Philip Morris in 1978 pulled in $108m, and the domestic end of the business is presumably still for sale: plans for its disposal for $122m net fell through earlier this year. Liggett has also pulled out of the cheap end of the pet food market to concentrate on its premium brands—the cash raised by selling assets has found its way into soft drink companies, notably Pepsi Cola franchises.

Liggett insists that it has not solicited an approach by Grand Met to head off some less welcome suitor. With a market capitalisation of around $320m, rather below net worth, and some easily saleable assets, it is clearly vulnerable to an approach from somebody, as well as being of a size that Grand Met could afford.

Thermo-skyships

If the eventual take-off of the Thermo-Skyship proves as hair-raising as its financial launch, passengers will be in for a bumpy ride. A £3.2m offer for sale by the Isle of Man company which is building the airship of the eighties succeeded yesterday when the minimum subscription level of £1.4m was exceeded by a mere £7,000. It was touch and go until the last minute when cheques for £250,000 were received from a mystery subscriber (who will eventually have to disclose his identity under the 5 per cent rule).

The success of the issue was clearly not overwhelming, particularly as European Ferries had committed £0.5m of the £1.4m in advance. Nonetheless, it represented a significant advance on the disastrous failure of the first fund-raising exercise in June this year. This time the company attracted funds from two major institutions (two more than in June) as well as around three times the previous number of individual applications. It is not hard to explain the contrast. This package was far more straightforward, the marketing was better and the dimensions of the sale were more modest.

Including the outstanding deferred shares and commitments by European Ferries, Thermo-Skyships can count on about £2.7m in equity. It is planning to raise more, up to a maximum of £8m. Future issues could be easier if the project continues on schedule.

Corporate awards

Weeks of excitement in the City reach a climax today with the announcement of the Lex awards for corporate achievement in the 1970's. The hottest competition has come in for the title of the Silliest acquisition of the Decade. Strong candidates here included the British Match bid for Wilkinson Sword—remember how Wilkinson was going to solve BM's management problem?—and Bowater's acquisition of Ralli International, which was again seen as a way of grafting dynamic management on to stodgy assets.

BAT gains a special award reserved for diversifying tobacco giants for its £70m takeover of International Stores in 1972. But the laurels go by popular acclaim to Dunlop, which consummated its union with Industrie Pirelli in 1971 and wrote the lot off in 1972 at a cost to reserves of £41.5m.

Prize for the Closest Shave of the Decade goes to Hill Samuel, which came within an ace of merging with Slater Walker in 1973. British Leyland wins the Rights Issue cup. Before it finally turned to the taxpayer, it raised £50m from its shareholders in 1972. The Mullens Silk Hat goes to the original purchasers of Treasury 7¾ per cent 2012-15, which was issued at £96 in January and now trades at under £60.

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